U 9445-2

SURVEYS OF CONSUMER ATTITUDES

SURVEY RESEARCH CENTER
UNIVERSITY OF MICHIGAN

Institute for Social Research

TABLES AND CHARTS

OCTOBER 1979

THE OCTOBER 1979 SURVEY IS THE 111TH IN A SERIES OF SURVEYS OF CONSUMER ATTITUDES CONDUCTED DURING THE LAST 29 YEARS. THE PURPOSE OF THESE SURVEYS IS TO MEASURE CHANGES IN CONSUMER ATTITUDES AND EXPECTATIONS, AND TO INCREASE UNDERSTANDING OF WHY THESE CHANGES OCCUR AND HOW THEY AFFECT CONSUMER DECISIONS TO MAKE DISCRETIONARY PURCHASES OR TO SAVE. THIS TYPE OF UNDERSTANDING IS AN ESSENTIAL INGREDIENT FOR FORECASTING CHANGES IN AGGREGATE CONSUMER BEHAVIOR.

TWO CHARTS ARE PRESENTED FOR EVERY QUESTION. ONE GIVES QUARTERLY RESULTS FROM 1955 TO THE LAST QUARTERLY OBSERVATION. A SECOND CHART SHOWS MONTHLY RESULTS SINCE JANUARY OF 1978, WHEN THIS SERIES WAS INSTITUTED, ALONG WITH A SIMPLE THREE MONTH MOVING AVERAGE PLOTTED ON THE LAST OF THE THREE MONTHS.

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CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

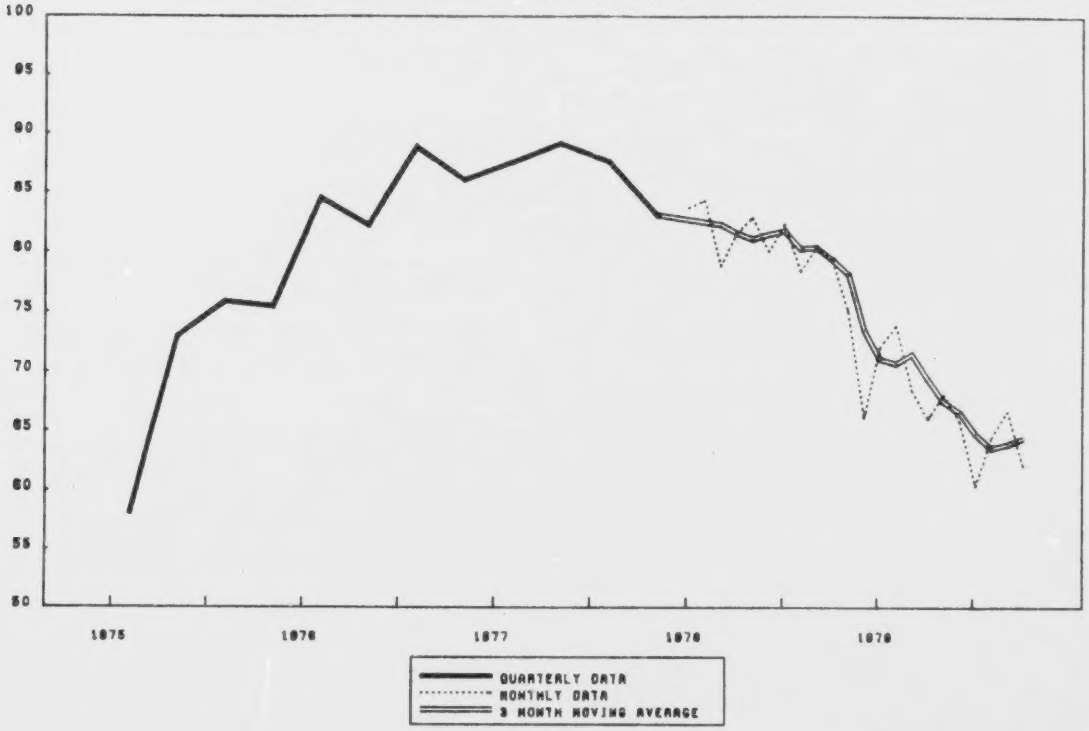

CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT

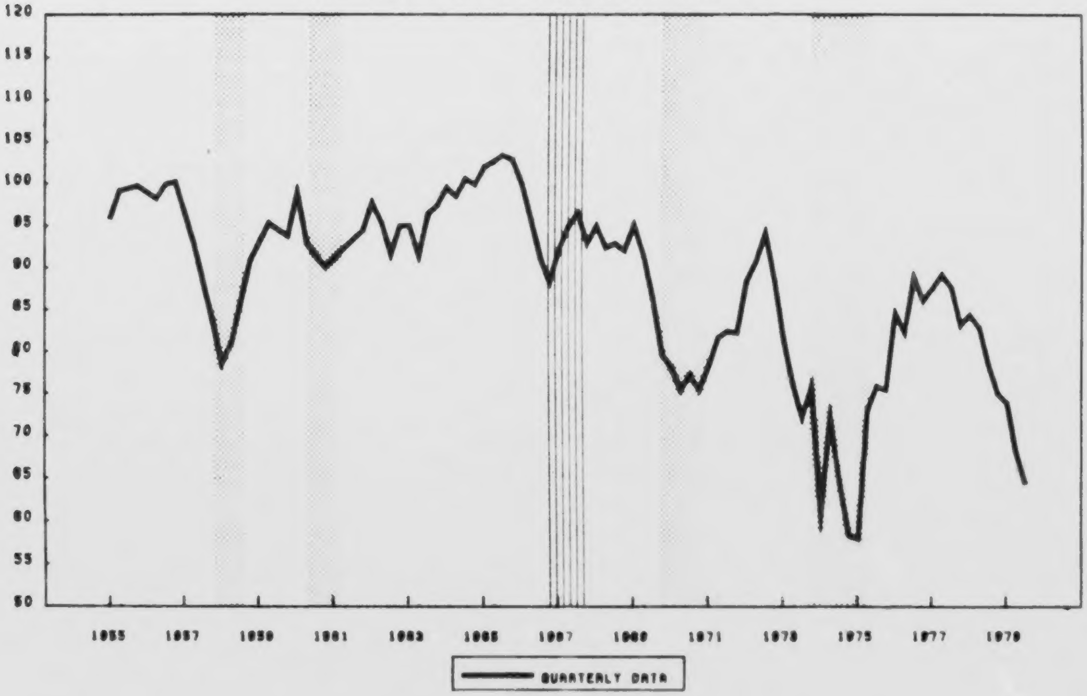

TABLE 1

THE INDEX OF CONSUMER SENTIMENT

DATE OF STUDY		ALL FAMILIES	INCOME $15,000+
FEBRUARY	1973	81.4	82.7
MAY	1973	76.0	77.9
AUG-SEPT.	1973	72.1	70.7
OCT-NOV.	1973	75.7	71.9
FEBRUARY	1974	60.9	56.3
MAY	1974	72.0	65.4
AUG-SEPT.	1974	64.5	55.0
OCTOBER	1974	58.4	55.4
FEBRUARY	1975	58.0	53.6
MAY	1975	72.9	66.2
AUG-SEPT.	1975	75.8	71.1
OCT-NOV.	1975	75.4	70.6
FEBRUARY	1976	84.5	78.1
MAY	1976	82.2	82.5
AUG-SEPT.	1976	88.8	87.3
NOV-DEC.	1976	86.0	80.9
FEBRUARY	1977	87.5	87.3
MAY	1977	89.1	84.0
AUG-SEPT.	1977	87.6	85.3
NOV-DEC.	1977	83.1	81.1
JANUARY	1978	83.7	80.3
FEBRUARY	1978	84.3	83.2
MARCH	1978	78.8	74.3
APRIL	1978	81.6	80.4
MAY	1978	82.9	74.7
JUNE	1978	80.0	77.8
JULY	1978	82.4	79.6
AUGUST	1978	78.4	72.5
SEPTEMBER	1978	80.4	76.1
OCTOBER	1978	79.3	76.1
NOVEMBER	1978	75.0	67.7
DECEMBER	1978	66.1	61.2
JANUARY	1979	72.1	68.4
FEBRUARY	1979	73.9	70.9
MARCH	1979	68.4	65.2
APRIL	1979	66.0	61.4
MAY	1979	68.1	62.1
JUNE	1979	65.8	60.1
JULY	1979	60.4	55.7
AUGUST	1979	64.5	59.1
SEPTEMBER	1979	66.7	58.5
OCTOBER	1979	62.1	56.5

TABLE 3
COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT **

DATE		1*	2*	3*	4*	5*	CURRENT (1,5)	EXPECTED (2,3,4)
FEBRUARY	1975	81	103	45	47	100	71.3	50.1
MAY	1975	87	118	91	65	111	77.7	69.6
AUG-SEPT.	1975	93	109	97	75	120	83.4	71.1
OCT-NOV.	1975	98	119	94	64	117	84.1	70.1
FEBRUARY	1976	103	124	118	79	128	90.2	81.0
MAY	1976	100	118	120	76	124	87.5	78.9
AUG-SEPT.	1976	105	119	127	92	139	95.1	84.9
NOV-DEC.	1976	96	115	117	105	129	87.9	84.5
FEBRUARY	1977	99	121	115	97	141	93.6	84.5
MAY	1977	108	115	118	92	149	100.0	81.8
AUG-SEPT.	1977	107	116	115	86	149	99.7	79.8
NOV-DEC.	1977	107	107	104	84	139	95.9	74.5
JANUARY	1978	105	114	106	80	142	96.2	75.7
FEBRUARY	1978	106	109	108	89	139	95.4	77.1
MARCH	1978	100	107	91	77	140	93.2	69.5
APRIL	1978	104	112	98	71	148	97.9	71.1
MAY	1978	105	111	99	79	147	98.2	73.0
JUNE	1978	107	102	97	71	146	98.4	68.1
JULY	1978	108	111	105	69	146	98.7	71.9
AUGUST	1978	102	112	82	70	145	96.1	67.0
SEPTEMBER	1978	109	108	96	71	140	96.9	69.7
OCTOBER	1978	96	104	103	77	138	91.2	71.6
NOVEMBER	1978	106	105	74	67	135	94.1	62.8
DECEMBER	1978	95	97	61	53	123	85.2	53.7
JANUARY	1979	100	99	72	58	138	93.3	58.4
FEBRUARY	1979	99	98	75	71	138	92.2	62.2
MARCH	1979	96	99	57	53	138	91.2	53.7
APRIL	1979	85	90	63	56	134	85.9	53.3
MAY	1979	91	95	58	62	136	88.7	54.9
JUNE	1979	92	91	54	55	134	88.2	51.4
JULY	1979	89	92	39	40	130	85.7	44.2
AUGUST	1979	95	98	46	48	131	88.2	49.3
SEPTEMBER	1979	90	98	60	51	133	87.1	53.6
OCTOBER	1979	82	96	48	49	126	81.6	49.5

PERSONAL FINANCIAL ATTITUDES
1* BETTER OR WORSE OFF THAN A YEAR AGO
2* EXPECT TO BE BETTER OR WORSE OFF IN A YEAR
EXPECTED BUSINESS CONDITIONS
3* NEXT 12 MONTHS
4* NEXT 5 YEARS
MARKET CONDITIONS
5* BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

**PERCENT SAYING "GOOD TIMES" (OR "BETTER"), MINUS PERCENT SAYING "BAD TIMES" (OR "WORSE"), PLUS 100.

CHART 4 - RECENT CHANGES
CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

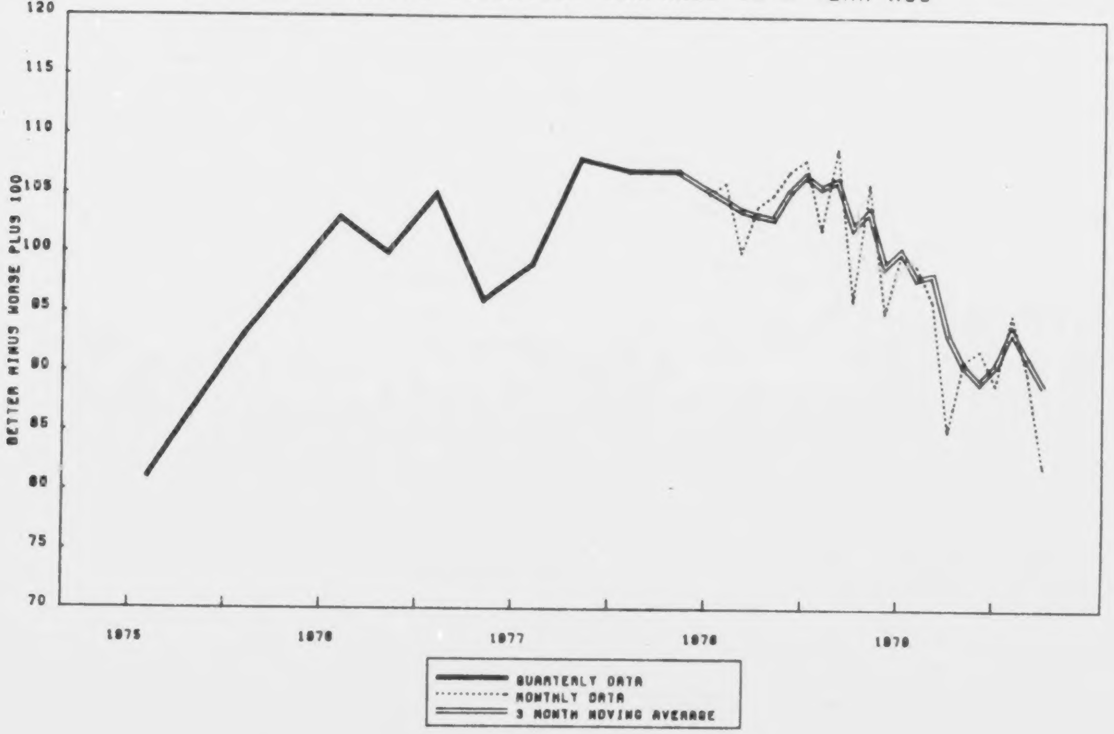

CHART 4 - HISTORICAL SERIES
CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

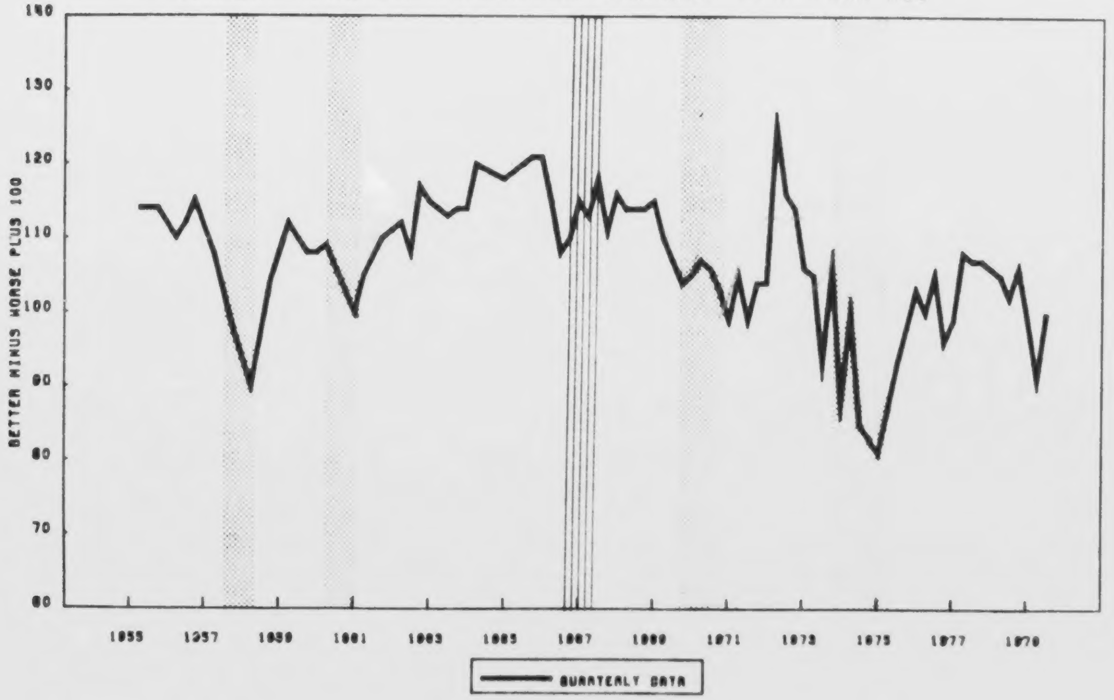

TABLE 4

CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

	OCT. 1978	NOV. 1978	DEC. 1978	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979
BETTER OFF	33%	37%	33%	38%	34%	32%	30%	31%	34%	31%	33%	31%	28%
SAME	29	31	28	23	30	32	24	29	24	27	28	27	26
WORSE OFF	37	31	38	38	35	36	45	40	42	42	38	41	46
DK, NA	1	1	1	1	1	*	1	*	*	*	1	1	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

* = LESS THAN HALF OF ONE PERCENT.

THE QUESTION WAS: "WE ARE INTERESTED IN HOW PEOPLE ARE GETTING ALONG FINANCIALLY THESE DAYS. WOULD YOU SAY THAT YOU (AND YOUR FAMILY LIVING THERE) ARE BETTER OFF OR WORSE OFF FINANCIALLY THAN YOU WERE A YEAR AGO?"

TABLE 5

SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION NOW COMPARED TO A YEAR AGO

	OCT. 1978	NOV. 1978	DEC. 1978	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979
BETTER OFF BECAUSE:													
INCOME IS HIGHER	38%	30%	32%	34%	28%	32%	33%	29%	32%	31%	29%	30%	28%
WORSE OFF BECAUSE:													
INCOME IS LOWER	12	13	13	13	14	11	13	11	9	12	11	13	13
HIGHER PRICES	33	31	31	33	33	38	46	43	47	44	40	47	48

RESPONSES TO THE QUERY "WHY DO YOU SAY SO?" FOLLOWING THE QUESTION NOTED IN THE PREVIOUS TABLE.

CHART 6 - RECENT CHANGES
EXPECTED CHANGE IN FINANCIAL SITUATION

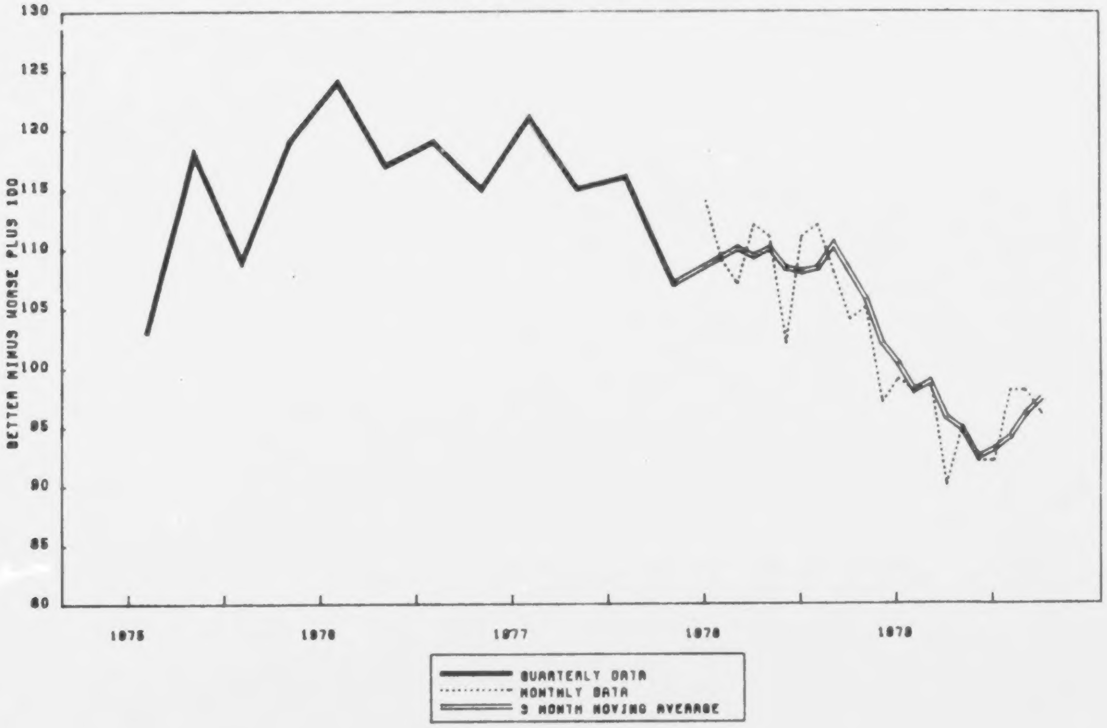

CHART 6 - HISTORICAL SERIES
EXPECTED CHANGE IN FINANCIAL SITUATION

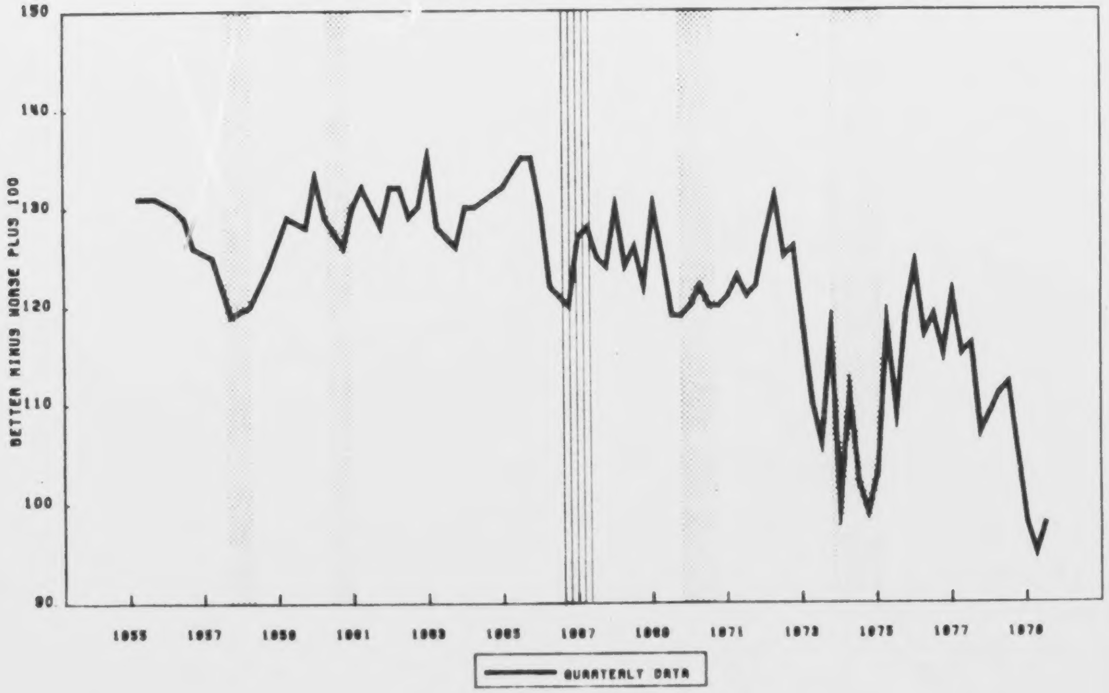

TABLE 6

EXPECTED CHANGE IN FINANCIAL SITUATION

	OCT. 1978	NOV. 1978	DEC. 1978	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979
BETTER OFF	26%	27%	21%	22%	24%	24%	21%	21%	21%	20%	23%	24%	24%
SAME	46	46	46	51	45	48	45	49	46	49	50	47	45
WORSE OFF	22	22	24	23	26	25	31	26	29	28	25	26	28
DK/NA	6	5	9	4	5	3	3	4	4	3	2	3	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "NOW LOOKING AHEAD - DO YOU THINK THAT A YEAR FROM NOW YOU (AND YOUR FAMILY LIVING THERE) WILL BE BETTER OFF FINANCIALLY, OR WORSE OFF, OR JUST ABOUT THE SAME AS NOW?"

CHART 7 - RECENT CHANGES
TREND IN PERSONAL FINANCIAL SITUATION

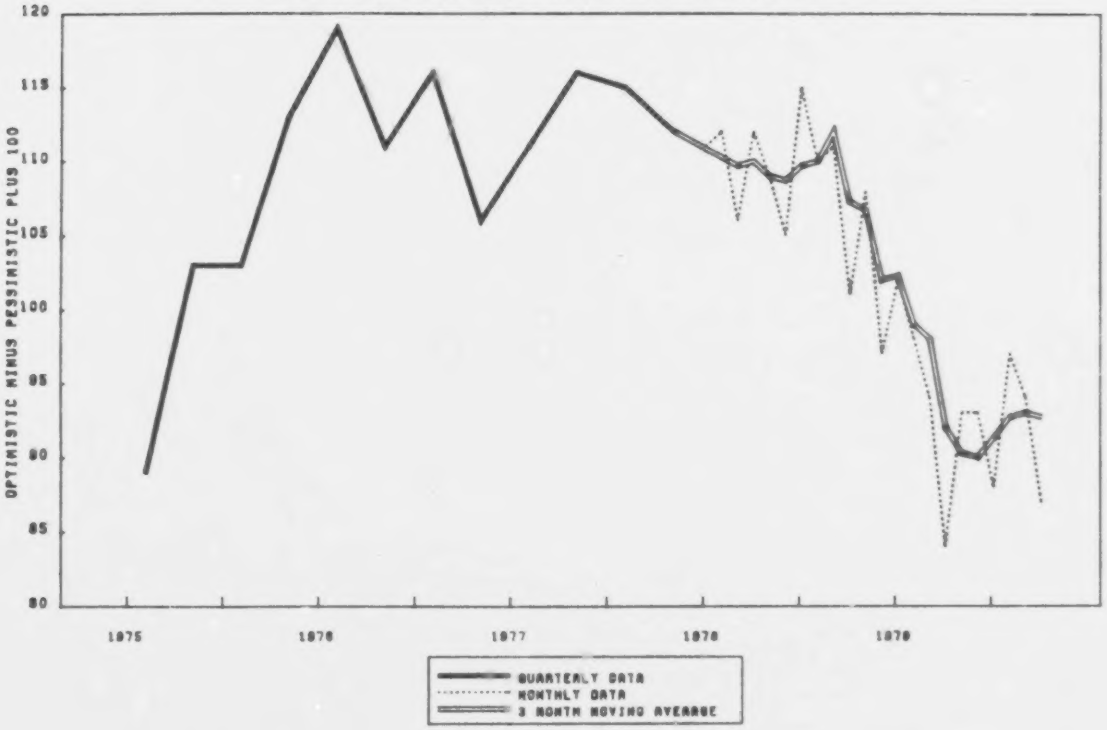

CHART 7 - HISTORICAL SERIES
TREND IN PERSONAL FINANCIAL SITUATION

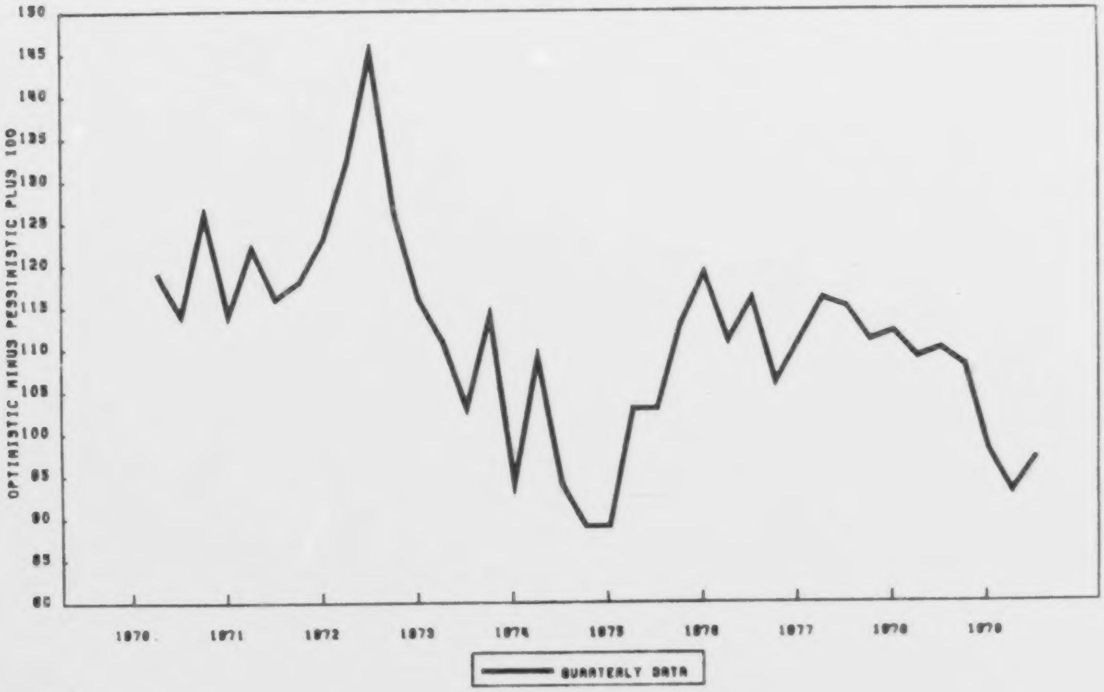

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TABLE 7

TREND IN PERSONAL FINANCIAL SITUATION

	OCT. 1978	NOV. 1978	DEC. 1978	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979
B/B+	13%	16%	12%	14%	13%	15%	13%	9%	11%	11%	13%	11%	11%
B/S, S/B	20	21	20	24	20	17	17	21	22	19	21	20	18
S/S	17	18	15	15	17	18	13	17	13	16	17	16	14
W/S, S/W	20	18	20	20	20	24	26	21	21	24	22	21	23
W/W	12	11	15	16	15	14	20	17	19	18	15	16	19
W/B, B/W	12	10	9	8	10	8	8	10	10	8	9	13	12
DK, NA	6	6	9	3	5	4	3	5	4	4	3	3	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

KEY: B=BETTER, S=SAME, W=WORSE; DK=DON'T KNOW, NA=NOT ASCERTAINED,
+ = BETTER THAN A YEAR AGO/WILL BE BETTER A YEAR FROM NOW.

TABLE 10

EXPECT INCOME OR PRICES UP MORE NEXT YEAR

	OCT. 1978	NOV. 1978	DEC. 1978	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979
INCOME UP MORE	9%	12%	12%	9%	10%	9%	10%	11%	9%	11%	12%	9%	9%
INCOME UP SAME	38	38	36	35	35	35	30	36	35	32	34	35	35
PRICES UP MORE	49	45	47	51	49	52	56	48	53	55	50	53	52
DK, NA	4	5	5	5	6	4	4	5	3	2	4	3	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "HOW ABOUT IN THE NEXT YEAR OR TWO — DO YOU EXPECT YOUR (FAMILY) INCOME WILL GO UP MORE THAN PRICES WILL GO UP, ABOUT THE SAME, OR LESS THAN PRICES WILL GO UP?"

CHART 11 - RECENT CHANGES

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

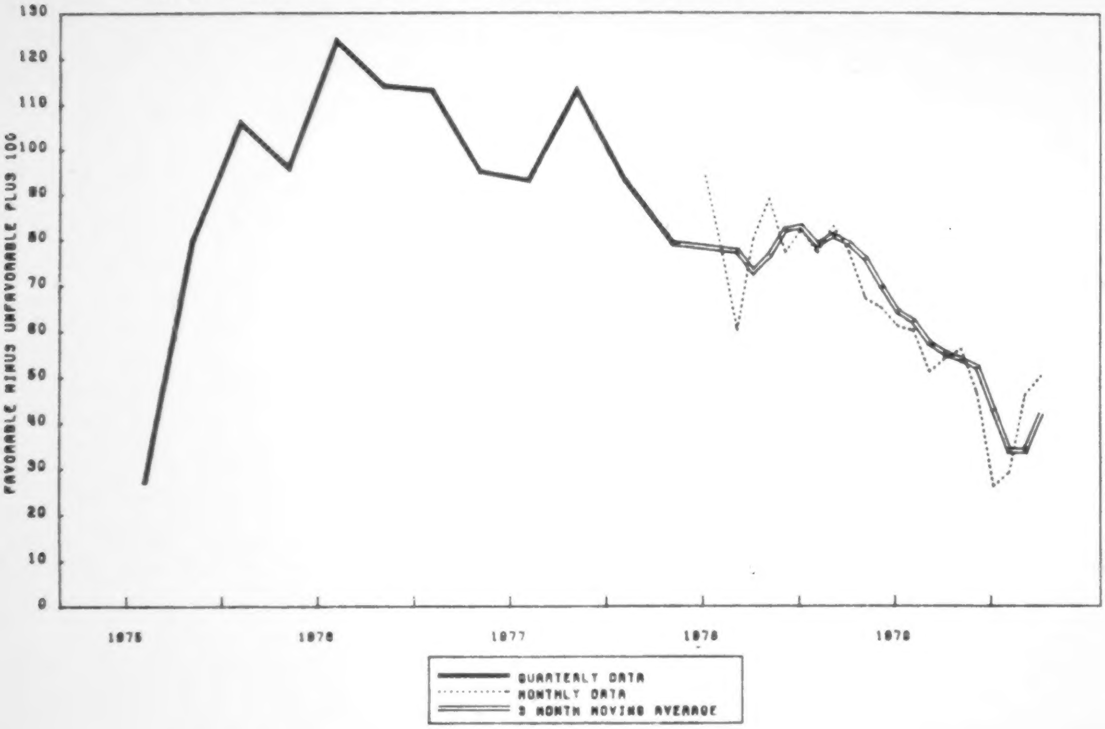

CHART 11 - HISTORICAL SERIES

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

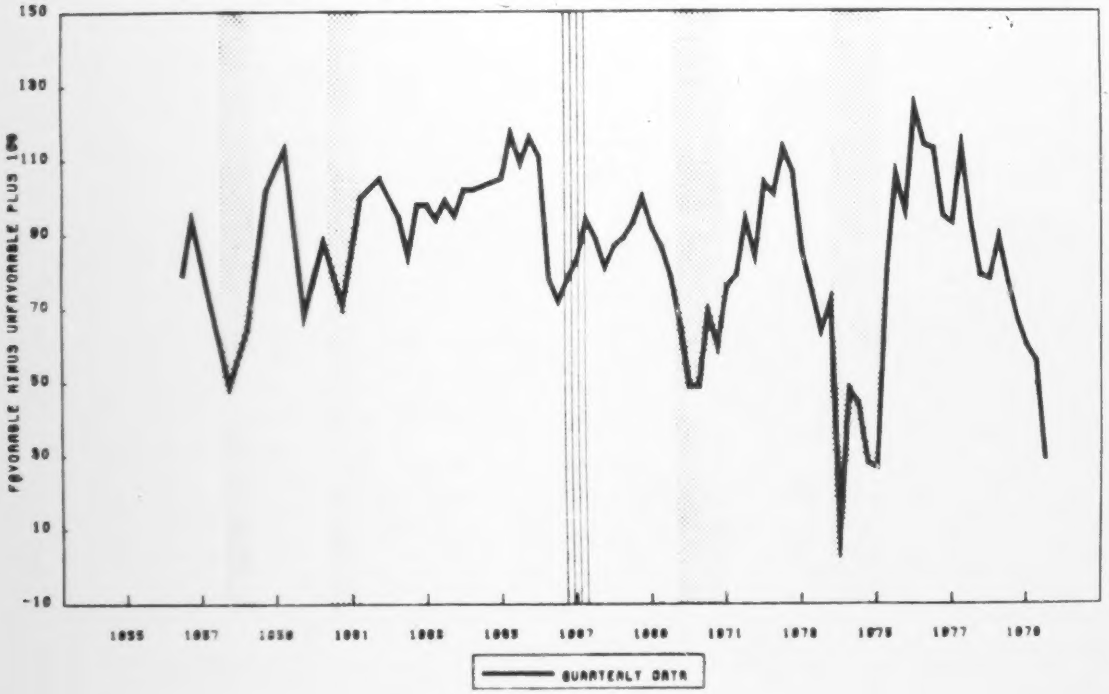

TABLE 11

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

	OCT. 1978	NOV. 1978	DEC. 1978	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979
FAVORABLE NEWS	19%	19%	17%	15%	21%	13%	18%	18%	13%	12%	15%	11%	13%
UNFAVORABLE NEWS	42	52	52	54	61	62	64	62	67	86	86	65	63
NO MENTIONS	54	49	47	47	45	44	40	46	43	33	34	47	47

ADDS TO MORE THAN 100% DUE TO RESPONDENTS MENTIONING TWO CHANGES.

THE QUESTIONS WERE: "DURING THE LAST FEW MONTHS, HAVE YOU HEARD OF ANY FAVORABLE OR UNFAVORABLE CHANGES IN BUSINESS CONDITIONS? WHAT DID YOU HEAR?"

CHART 12 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

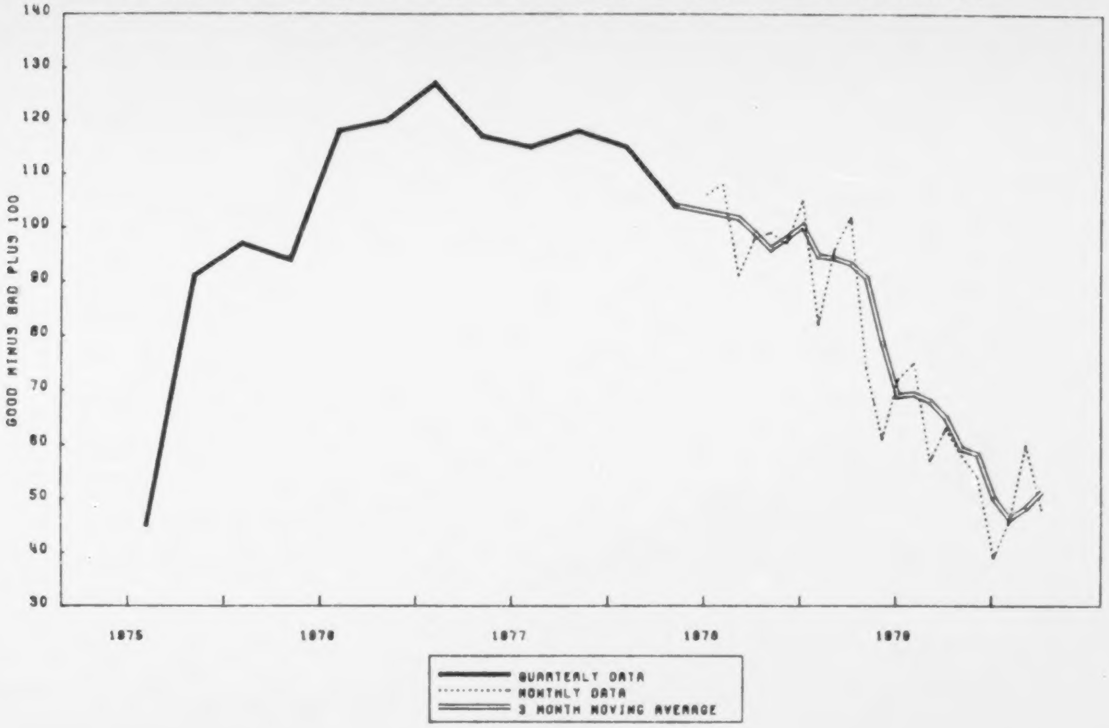

CHART 12 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

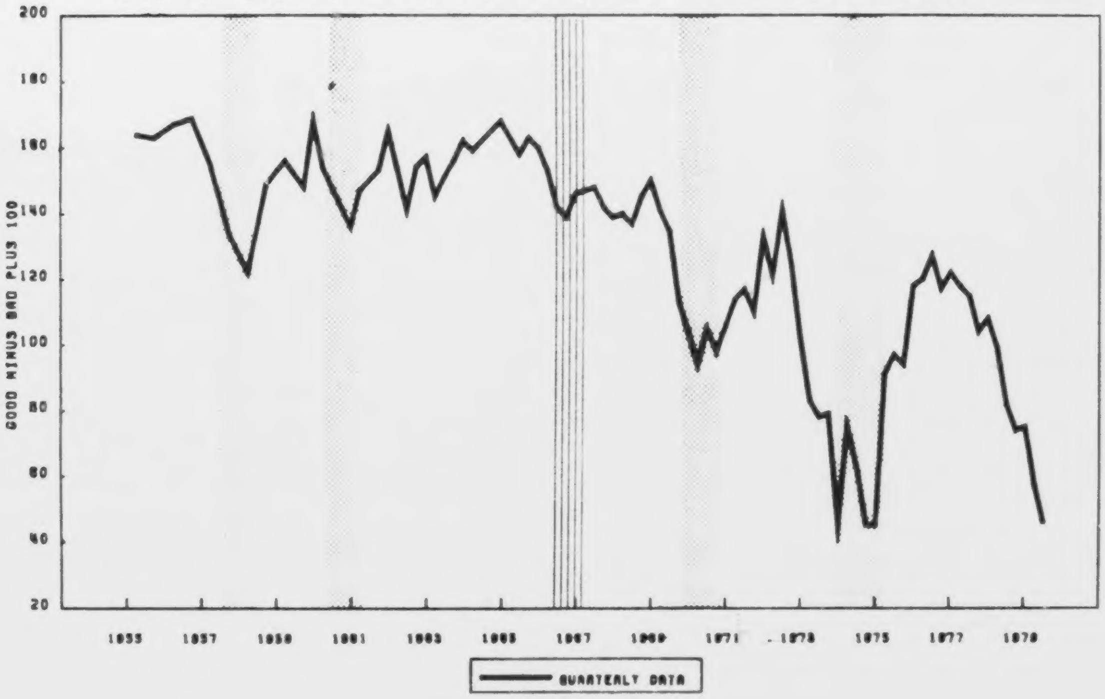

TABLE 12

BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

	OCT. 1978	NOV. 1978	DEC. 1978	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979
GOOD TIMES	40%	28%	19%	27%	29%	20%	24%	21%	20%	13%	17%	23%	18%
GOOD IN SOME WAYS, BAD IN OTHERS	9	6	10	6	6	3	5	5	2	1	3	3	1
BAD TIMES	38	54	58	55	54	63	61	63	66	74	71	63	70
UNCERTAIN	9	10	9	6	8	8	5	4	5	4	5	5	5
NOT ASCERTAINED	4	2	4	6	3	6	5	7	7	8	4	6	6
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "NOW TURNING TO BUSINESS CONDITIONS IN THE COUNTRY AS A WHOLE — DO YOU THINK THAT DURING THE NEXT 12 MONTHS WE'LL HAVE GOOD TIMES FINANCIALLY OR BAD TIMES, OR WHAT?

CHART 13 - RECENT CHANGES
CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

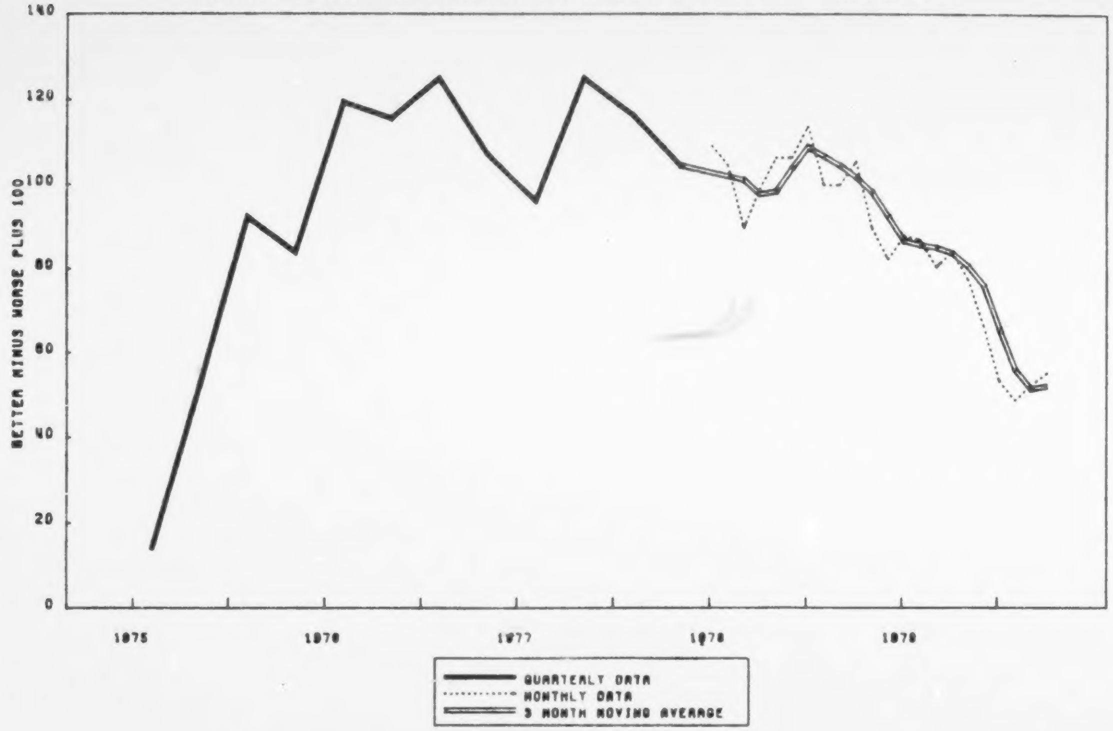

CHART 13 - HISTORICAL SERIES
CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

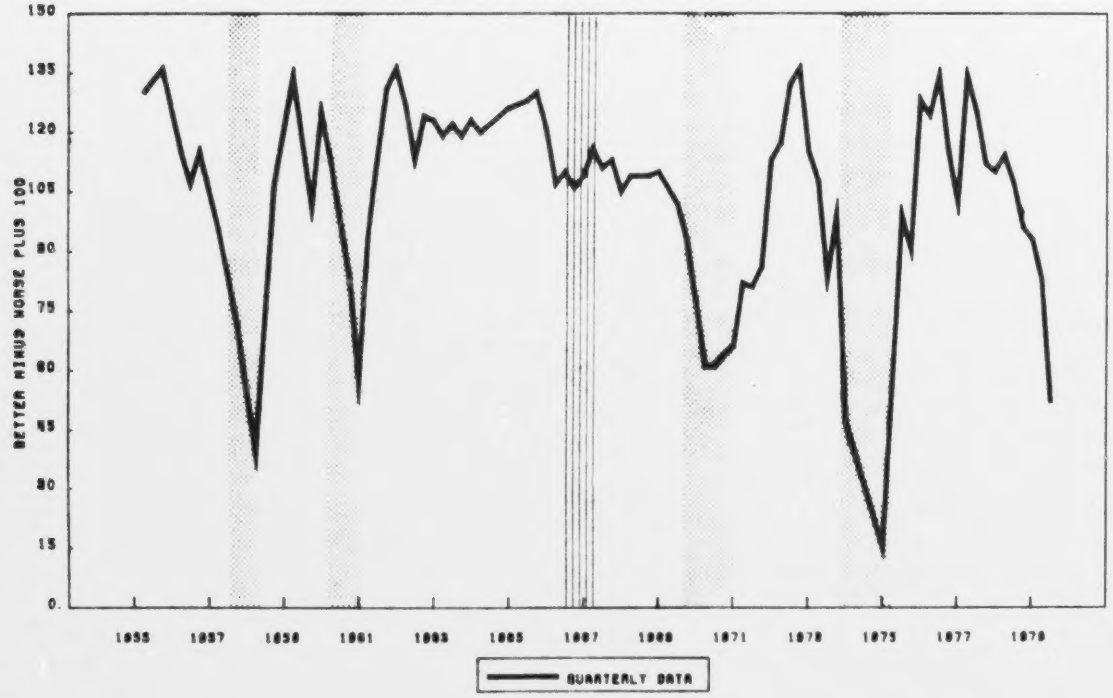

TABLE 13

CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

	OCT. 1978	NOV. 1978	DEC. 1978	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979
BETTER NOW	45%	38%	31%	38%	37%	33%	36%	33%	27%	22%	20%	22%	22%
SAME	19	15	21	14	15	16	13	15	13	10	10	9	12
WORSE NOW	32	42	43	44	44	47	46	50	56	65	68	66	63
DK, NA	4	5	5	4	4	4	5	2	4	3	2	3	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "WOULD YOU SAY THAT AT THE PRESENT TIME BUSINESS CONDITIONS ARE BETTER OR WORSE THAN THEY WERE A YEAR AGO?"

CHART 14 - RECENT CHANGES

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

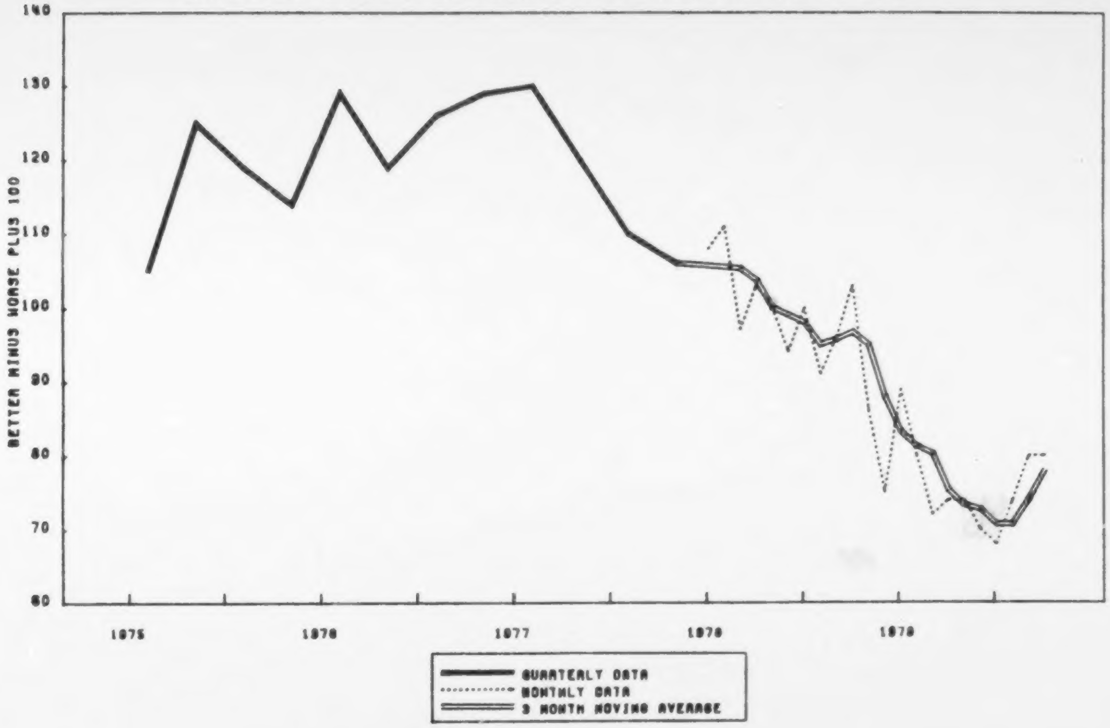

CHART 14 - HISTORICAL SERIES

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

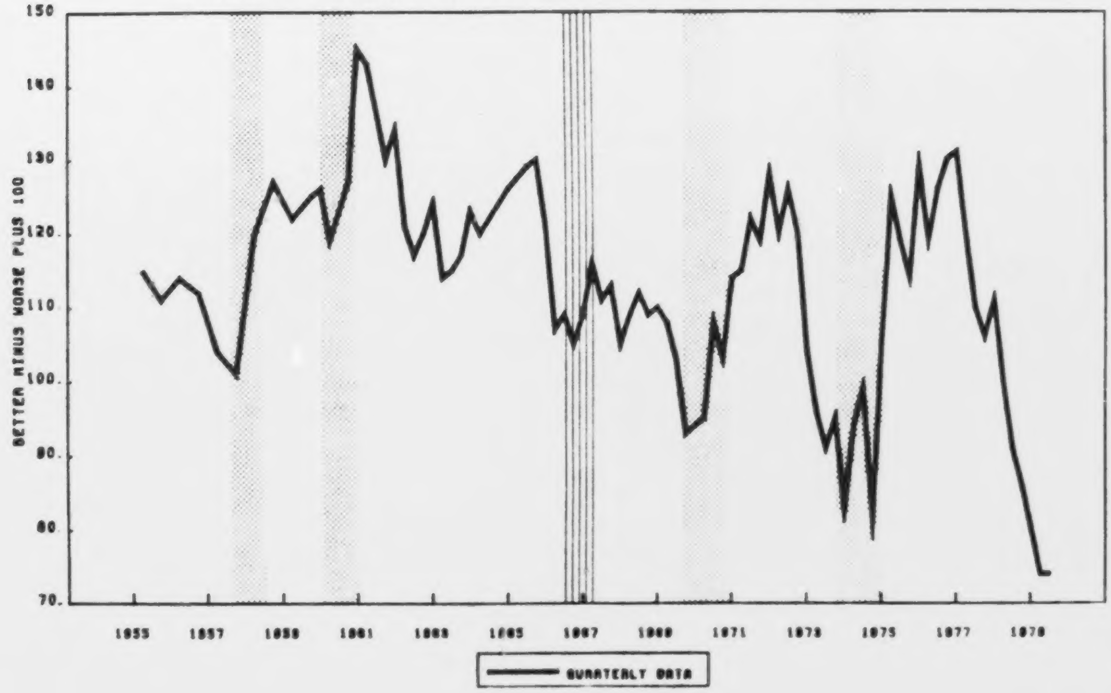

TABLE 14

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

	OCT. 1978	NOV. 1978	DEC. 1978	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979
BETTER	22%	17%	13%	19%	14%	10%	12%	11%	12%	11%	13%	15%	15%
SAME	56	47	42	48	48	47	45	49	42	43	46	46	47
WORSE	19	31	38	30	34%	38	38	37	42	43	39	35	35
DK, NA	3	5	7	3	4	5	5	2	4	3	2	4	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "AND HOW ABOUT A YEAR FROM NOW, DO YOU EXPECT THAT IN THE COUNTRY AS A WHOLE BUSINESS CONDITIONS WILL BE BETTER OR WORSE THAN THEY ARE AT PRESENT, OR JUST ABOUT THE SAME?"

CHART 15 - RECENT CHANGES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

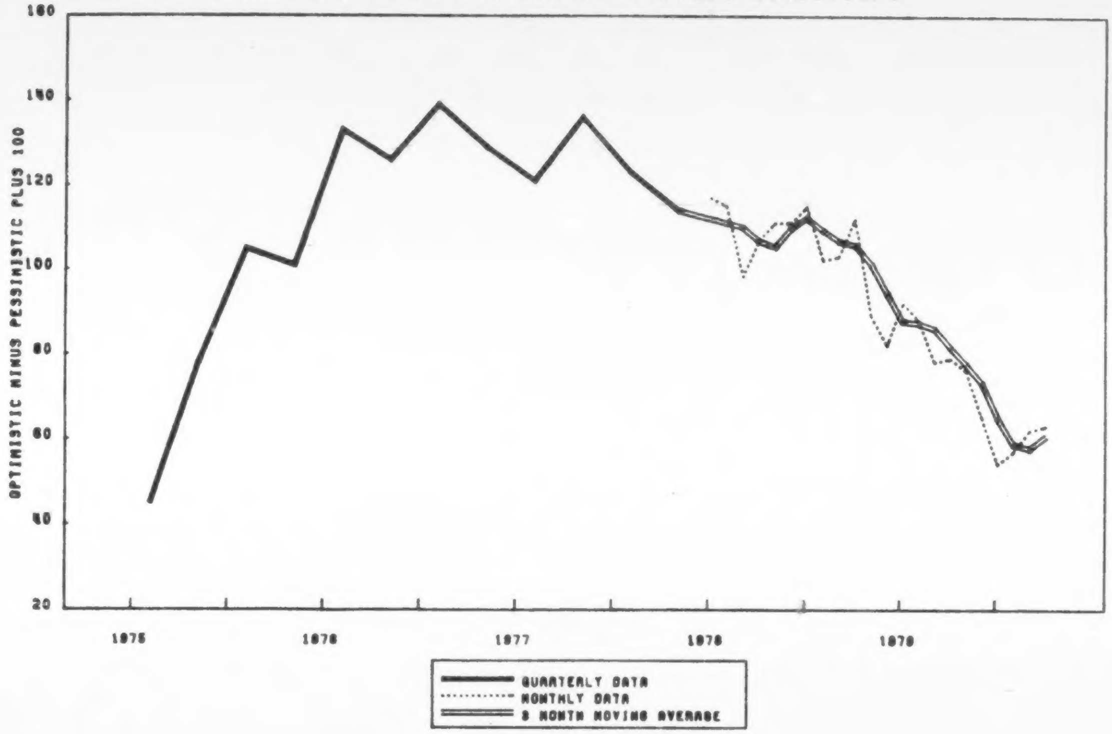

CHART 15 - HISTORICAL SERIES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

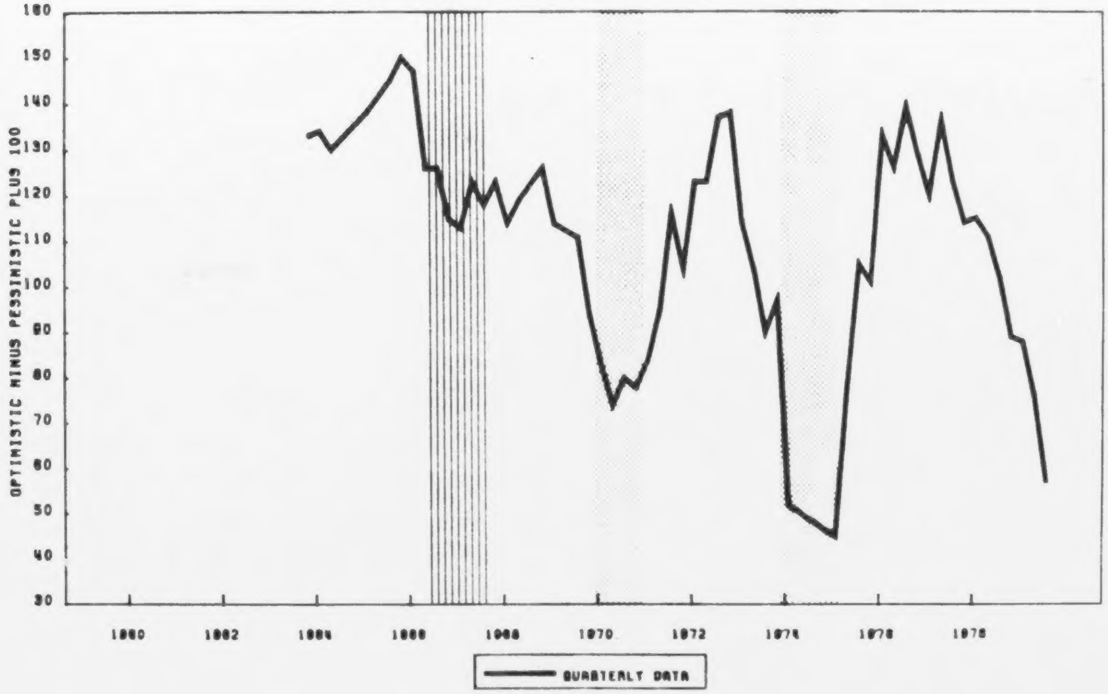

TABLE 15

TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

	OCT. 1978	NOV. 1978	DEC. 1978	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979
B/B+	14%	10%	6%	10%	9%	5%	8%	7%	6%	3%	4%	5%	6%
B/S, S/B	29	19	20	23	21	20	17	17	13	13	13	14	13
S/S	11	9	11	8	9	8	8	10	7	5	5	5	7
W/S, S/W	20	23	19	21	20	23	23	25	27	29	30	30	31
W/W	11	17	25	20	22	24	23	23	28	33	31	27	26
W/B, B/W	8	13	10	13	12	11	14	13	12	13	12	13	11
DK, NA	7	9	9	5	7	9	7	5	7	4	5	6	6
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

KEY: B=BETTER, S=SAME, W=WORSE, DK=DON'T KNOW, NA=NOT ASCERTAINED,

+ = BETTER THAN A YEAR AGO/WILL BE BETTER A YEAR FROM NOW.

CHART 16 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

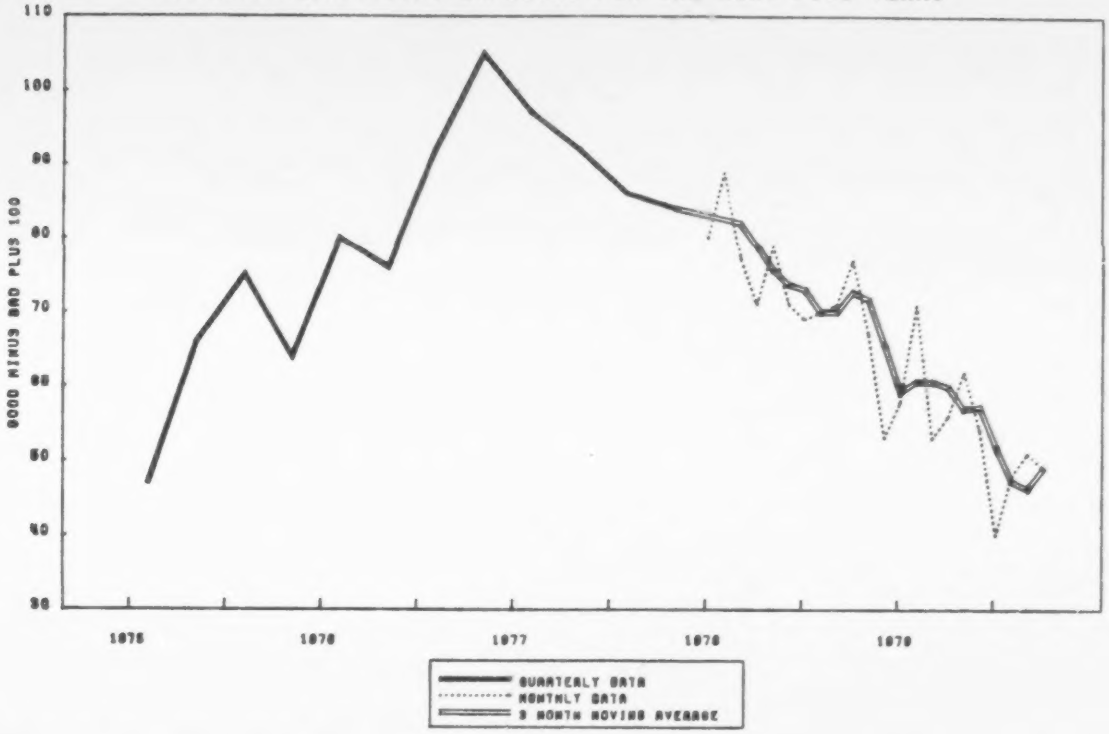

CHART 16 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

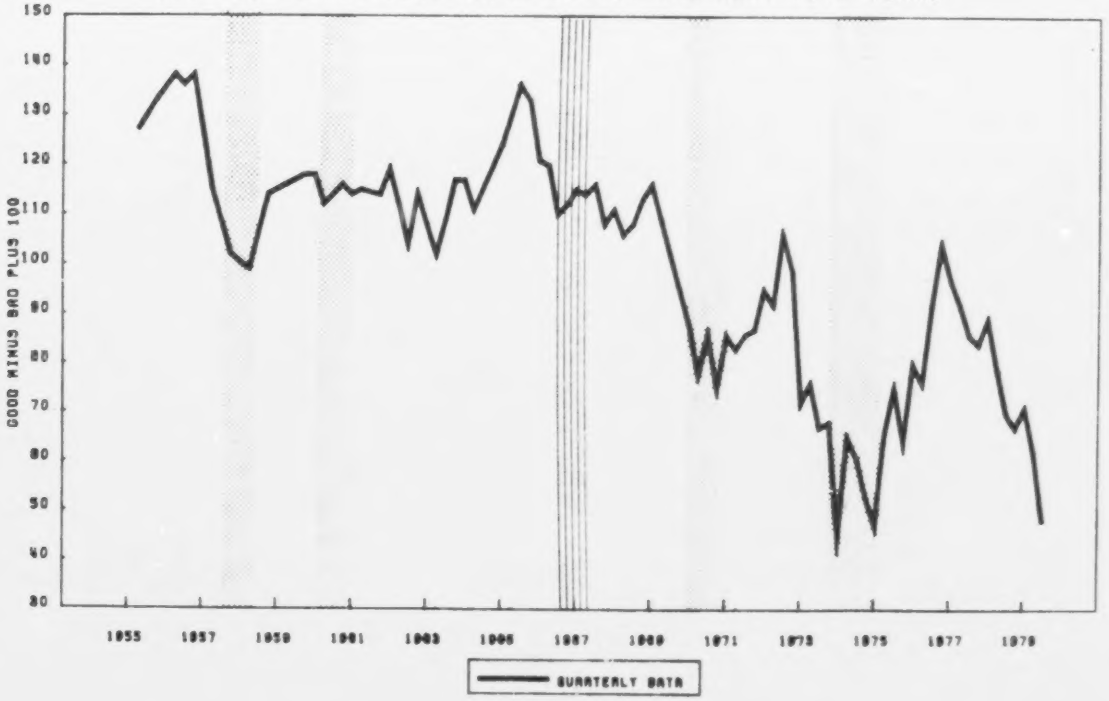

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TABLE 16

BUSINESS CONDITIONS EXPECTED FOR NEXT FIVE YEARS

	OCT. 1978	NOV. 1978	DEC. 1978	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979
GOOD TIMES	24%	20%	10%	18%	23%	16%	18%	19%	14%	10%	14%	16%	16%
UNCERTAIN, GOOD & BAD	20	18	22	17	18	14	13	17	16	14	15	16	13
BAD TIMES	47	53	57	60	52	63	62	57	60	70	66	65	67
NA	9	9	11	5	7	7	7	7	10	6	5	3	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "LOOKING AHEAD, WHICH WOULD YOU SAY IS MORE LIKELY — THAT IN THE COUNTRY AS A WHOLE WE'LL HAVE CONTINUOUS GOOD TIMES DURING THE NEXT 5 YEARS OR SO, OR THAT WE WILL HAVE PERIODS OF WIDESPREAD UNEMPLOYMENT OR DEPRESSION, OR WHAT?"

CHART 17 - RECENT CHANGES
EXPECTED CHANGE IN INTEREST RATES

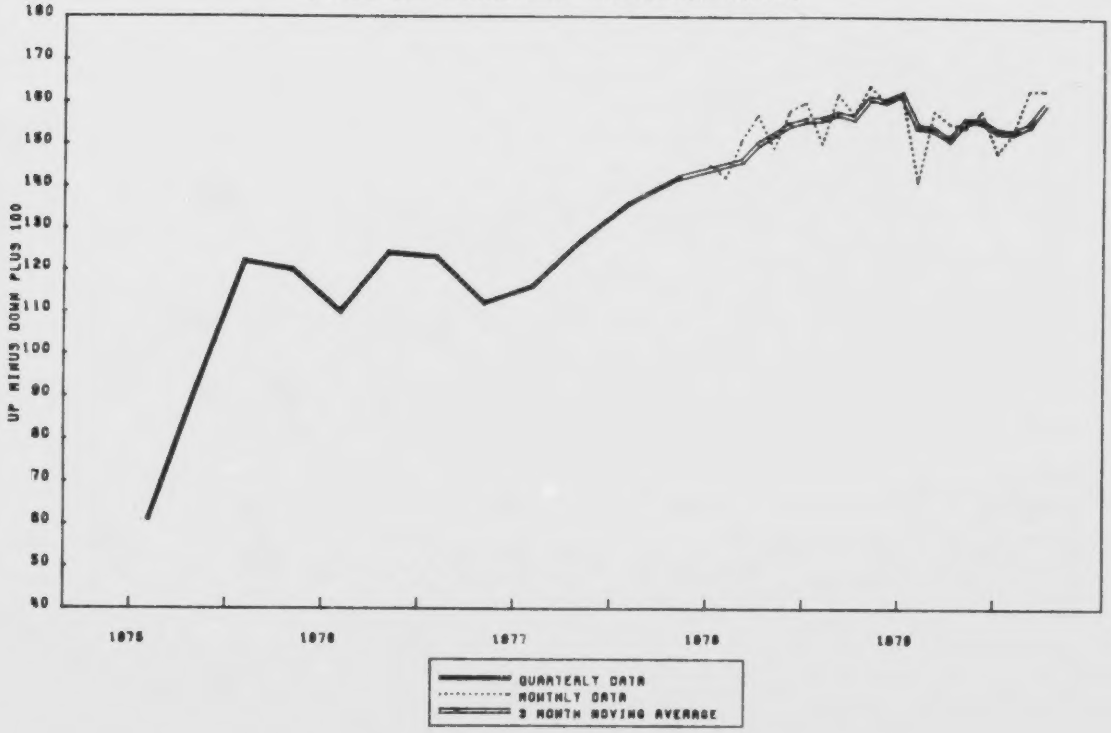

CHART 17 - HISTORICAL SERIES
EXPECTED CHANGE IN INTEREST RATES

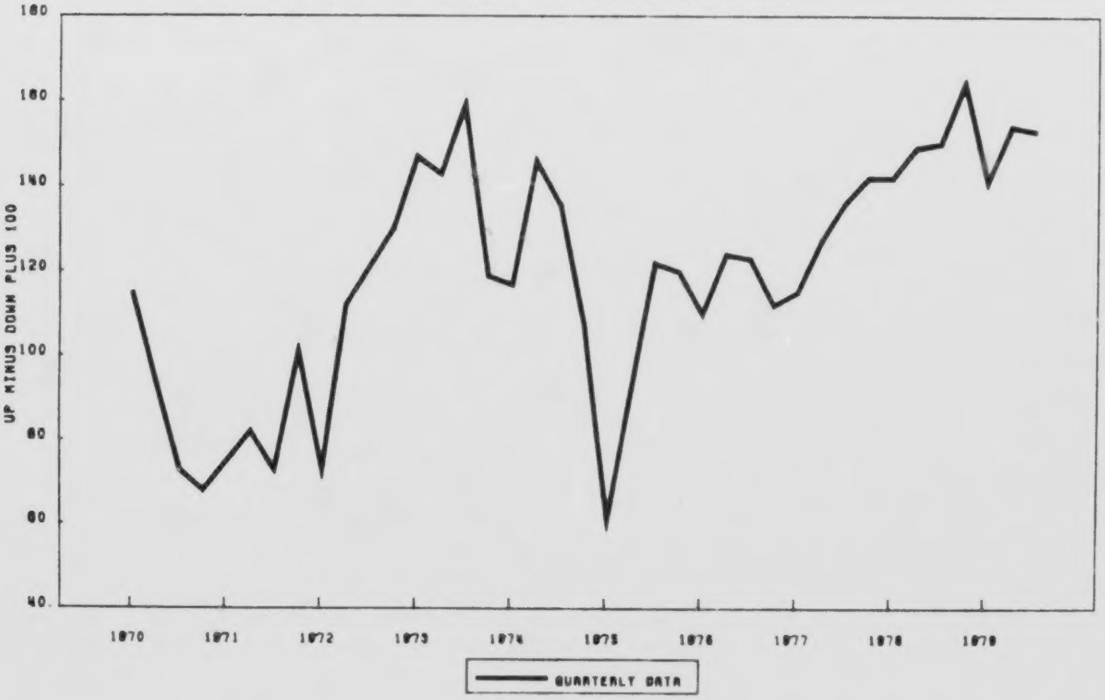

CHART 18 - RECENT CHANGES
EXPECTED CHANGE IN UNEMPLOYMENT

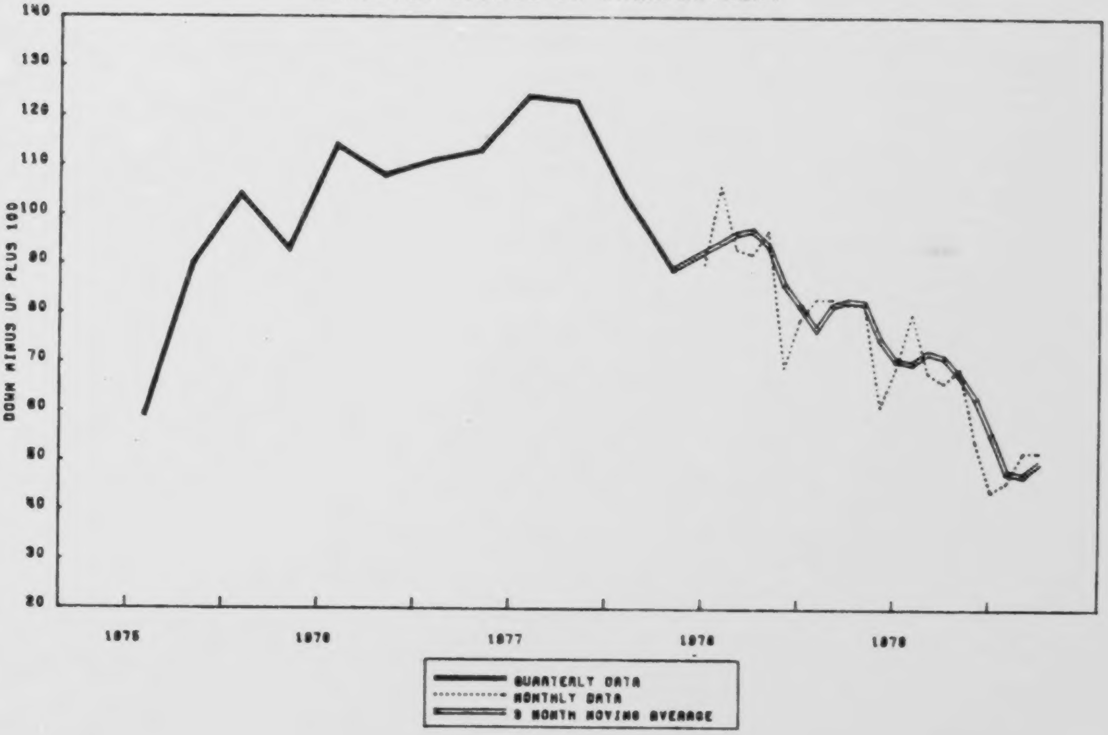

CHART 18 - HISTORICAL SERIES
EXPECTED CHANGE IN UNEMPLOYMENT

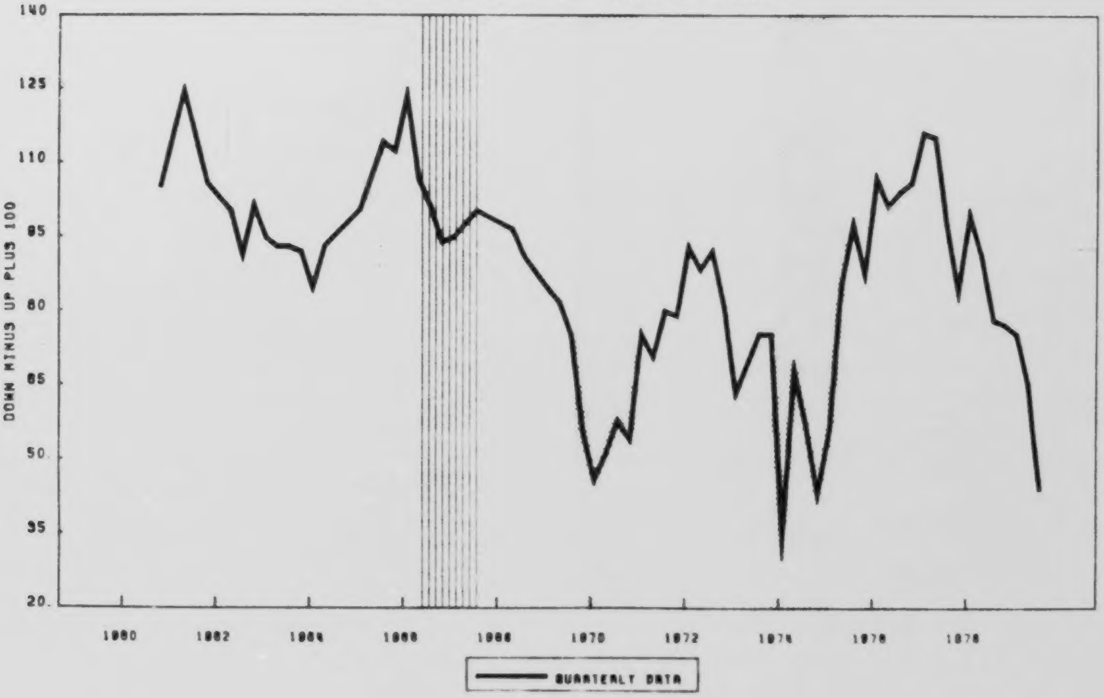

TABLE 18

EXPECTED CHANGE IN UNEMPLOYMENT

	OCT. 1978	NOV. 1978	DEC. 1978	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979
LESS	12%	16%	7%	10%	14%	9%	11%	9%	6%	6%	7%	7%	7%
SAME	56	45	42	45	50	46	41	46	39	31	30	36	36
MORE	30	34	46	41	34	41	45	40	52	62	61	55	55
DK, NA	2	5	5	4	2	4	3	5	3	1	2	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: " HOW ABOUT PEOPLE OUT OF WORK DURING THE COMING 12 MONTHS — DO YOU THINK THAT THERE WILL BE MORE UNEMPLOYMENT THAN NOW, ABOUT THE SAME, OR LESS?"

CHART 19 - RECENT CHANGES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

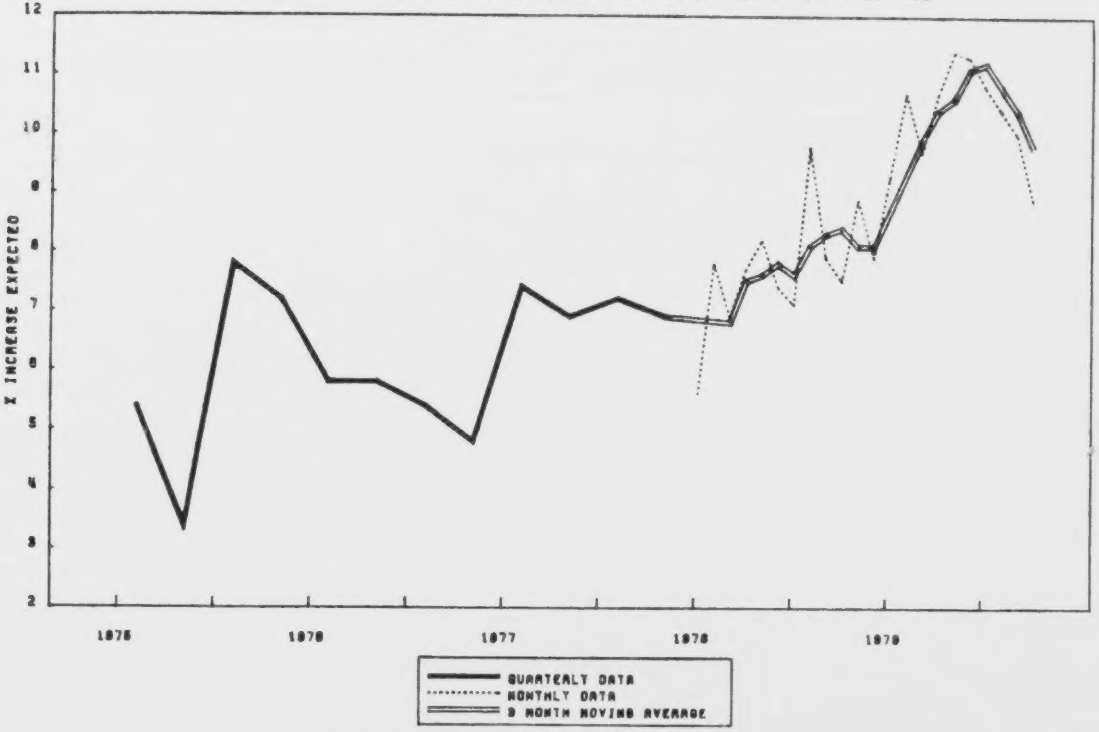

CHART 19 - HISTORICAL SERIES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

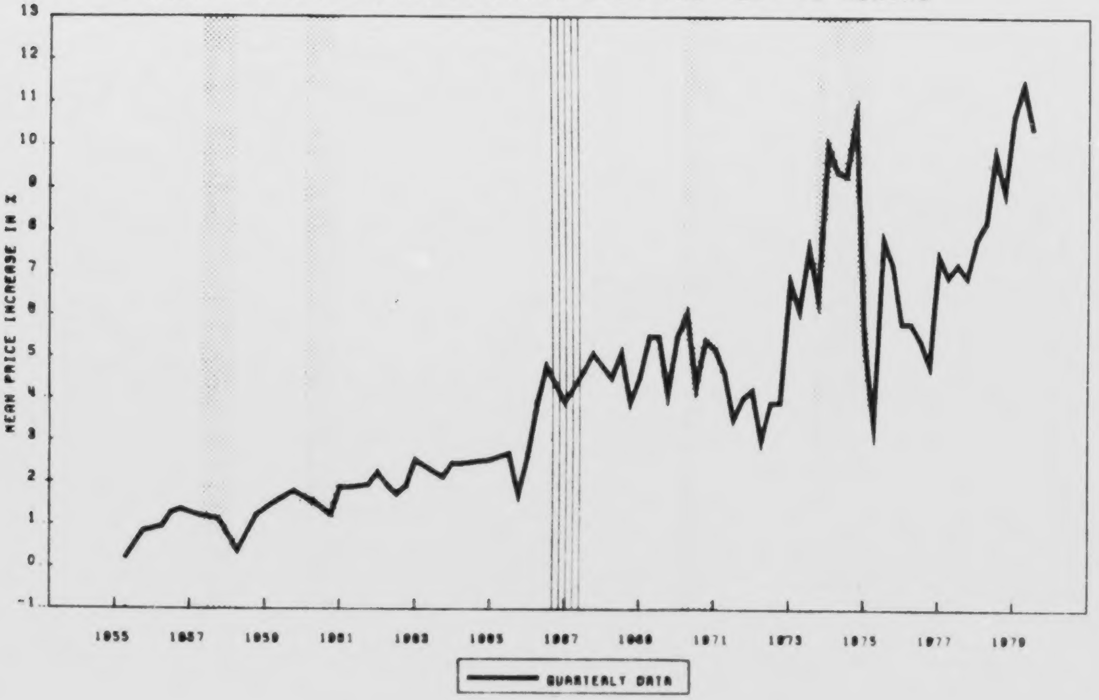

TABLE 19

EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

	OCT. 1978	NOV. 1978	DEC. 1978	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979
SAME OR DOWN	10%	12%	7%	8%	11%	4%	6%	8%	10%	12%	13%	12%	13%
1 - 2% UP	5	3	3	4	2	5	4	3	3	2	2	5	4
3 - 4% UP	6	7	8	5	7	10	6	6	6	5	6	5	6
5% UP	10	11	12	10	9	8	11	10	8	10	9	8	10
6 - 9% UP	25	18	19	25	18	18	14	15	14	12	12	14	14
10% OR MORE	24	30	25	29	39	36	43	45	47	45	47	41	36
DK HOW MUCH UP	19	17	22	18	12	18	15	12	10	11	10	13	16
DK, NA	1	2	4	1	2	1	1	1	2	3	1	2	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	7.5	8.9	7.9	9.3	10.7	9.7	10.7	11.4	11.3	10.8	10.4	10.0	8.9

THE QUESTIONS WERE: "DURING THE NEXT 12 MONTHS, DO YOU THINK THAT PRICES IN GENERAL WILL GO UP, OR GO DOWN, OR STAY WHERE THEY ARE NOW?" (IF WILL GO UP) "BY ABOUT WHAT PERCENT DO YOU EXPECT PRICES TO GO UP, ON THE AVERAGE, DURING THE NEXT TWELVE MONTHS?"

TABLE 20

UNEMPLOYMENT OR INFLATION MORE SERIOUS

	OCT. 1978	NOV. 1978	DEC. 1978	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979
UNEMPLOYMENT	18%	23%	23%	24%	24%	27%	21%	18%	23%	26%	27%	26%	25%
EQUALLY SERIOUS	6	8	9	6	7	7	5	9	8	10	9	7	8
INFLATION	73	65	65	66	67	63	71	68	67	62	63	65	65
DK, NA	3	4	3	4	2	3	3	5	2	2	1	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "WHICH OF THE TWO PROBLEMS -- UNEMPLOYMENT OR INFLATION -- DO YOU THINK WILL CAUSE THE MORE SERIOUS ECONOMIC HARDSHIP FOR PEOPLE DURING THE NEXT YEAR OR SO?"

CHART 21 - RECENT CHANGES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

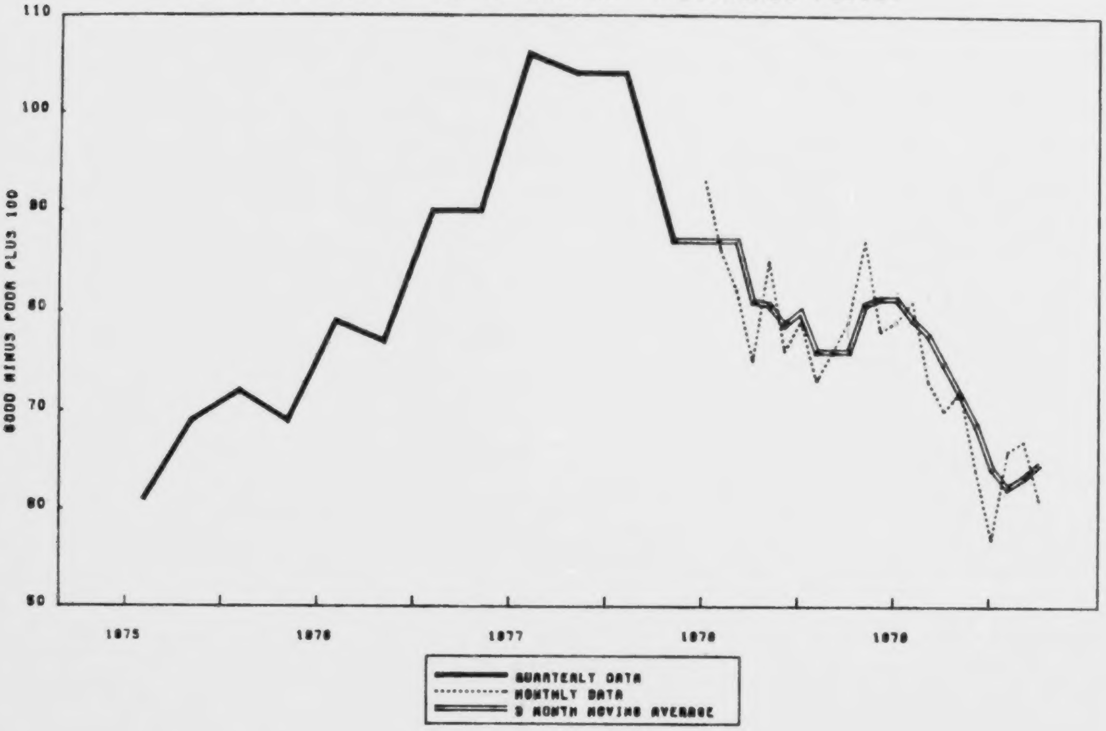

CHART 21 - HISTORICAL SERIES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

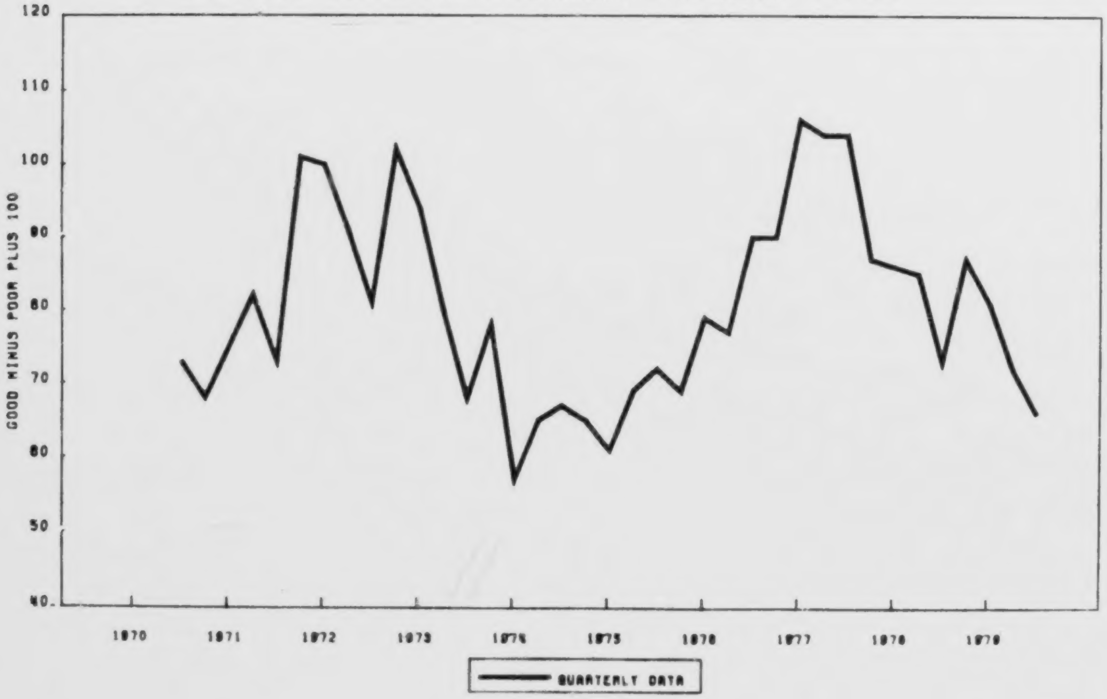

TABLE 21

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

	OCT. 1978	NOV. 1978	DEC. 1978	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979
A GOOD JOB	9%	13%	10%	9%	12%	9%	9%	10%	7%	5%	8%	7%	6%
ONLY FAIR	56	55	52	55	54	50	48	48	47	43	48	51	46
A POOR JOB	30	26	32	30	31	36	39	38	43	48	42	40	45
DK, NA	5	6	6	6	3	5	4	4	3	4	2	2	3
TOTAL	% 100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "AS TO THE ECONOMIC POLICY OF THE GOVERNMENT — I MEAN STEPS TAKEN TO FIGHT INFLATION OR UNEMPLOYMENT — WOULD YOU SAY THE GOVERNMENT IS DOING A GOOD JOB, ONLY FAIR, OR A POOR JOB?"

CHART 23 - RECENT CHANGES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

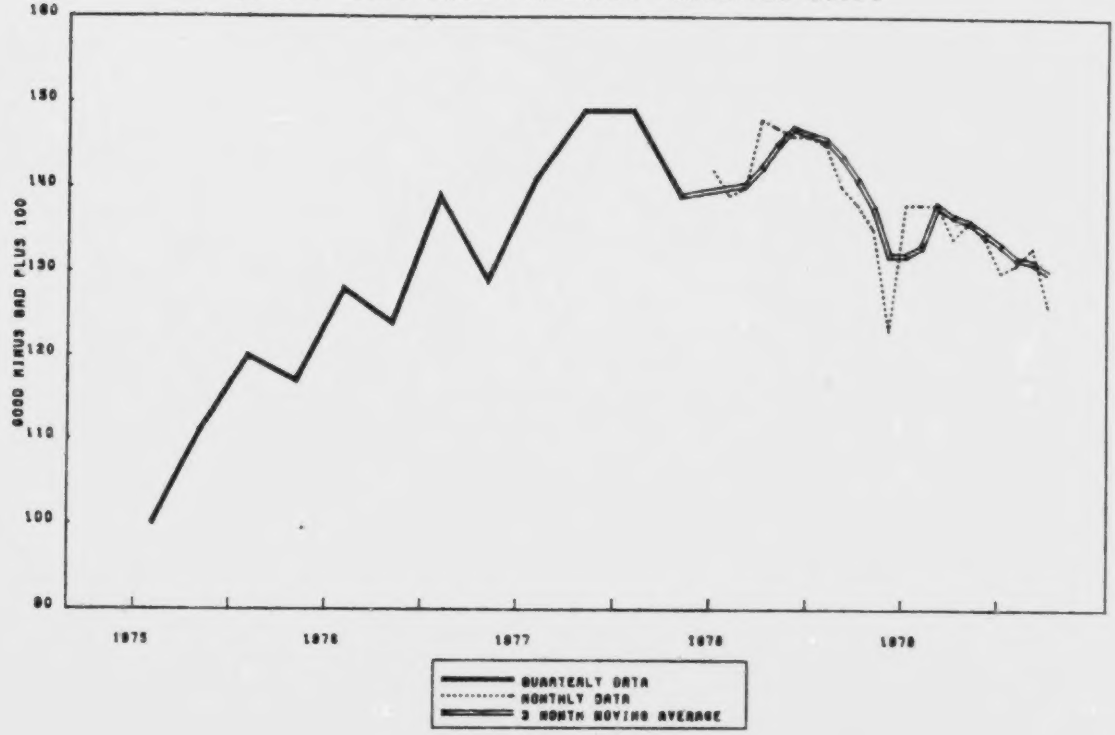

CHART 23 - HISTORICAL SERIES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

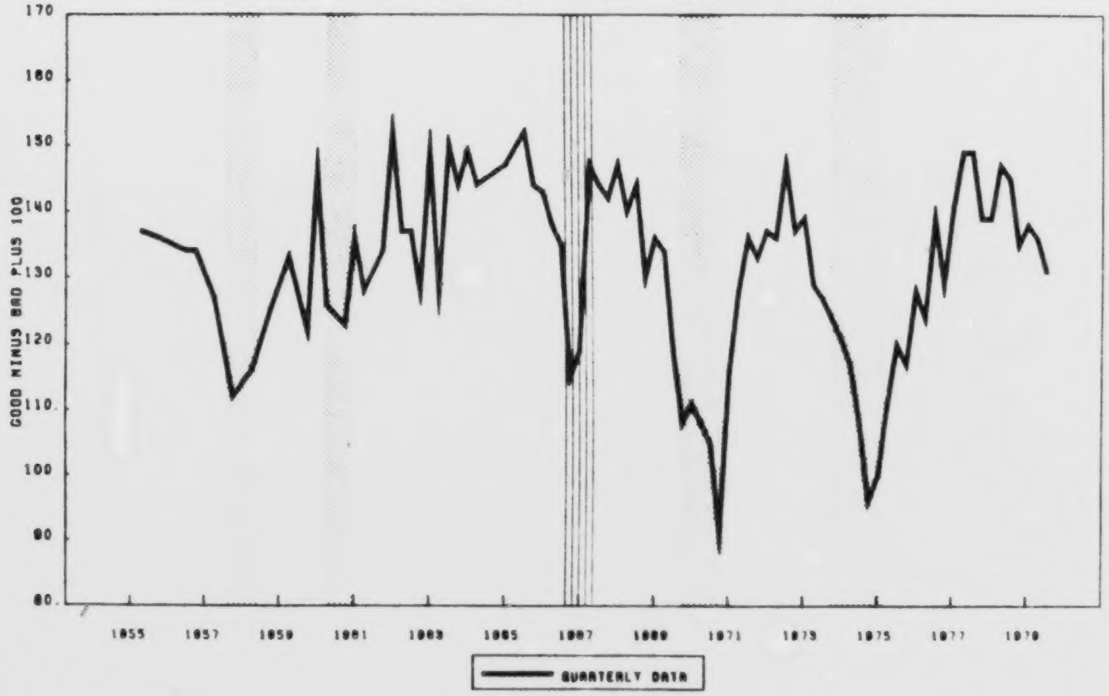

TABLE 23

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

	OCT. 1978	NOV. 1978	DEC. 1978	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979
GOOD TIME TO BUY	62%	56%	53%	63%	61%	63%	61%	62%	62%	60%	58%	62%	58%
UNCERTAIN, DEPENDS	14	23	17	12	16	12	12	12	10	10	15	9	10
BAD TIME TO BUY	24	21	30	25	23	25	27	26	28	30	27	29	32
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "ABOUT THE BIG THINGS PEOPLE BUY FOR THEIR HOUSE — SUCH AS FURNITURE, A REFRIGERATOR, STOVE, AND THINGS LIKE THAT. GENERALLY SPEAKING, DO YOU THINK NOW IS A GOOD TIME OR A BAD TIME TO BUY MAJOR HOUSEHOLD ITEMS?"

TABLE 24

SELECTED REASONS FOR OPINIONS ABOUT CURRENT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

	OCT. 1978	NOV. 1978	DEC. 1978	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979
GOOD TIME TO BUY:													
PRICES ARE LOW; GOOD BUYS AVAILABLE	10%	13%	8%	12%	21%	11%	6%	17%	10%	9%	19%	13%	8%
PRICES GOING HIGHER; WON'T COME DOWN	47	34	39	48	35	50	53	35	46	46	33	42	48
BAD TIME TO BUY:													
PRICES ARE HIGH; GOING UP	19	18	24	19	18	14	15	18	20	19	18	18	18
CREDIT; HIGH INTEREST RATES	2	2	4	5	2	4	4	3	6	7	4	8	8

* = LESS THAN HALF OF ONE PERCENT.

RESPONSES TO THE QUERY "WHY DO YOU SAY SO?" FOLLOWING THE QUESTION NOTED IN THE PREVIOUS TABLE.

CHART 25 - RECENT CHANGES
BUYING CONDITIONS FOR CARS

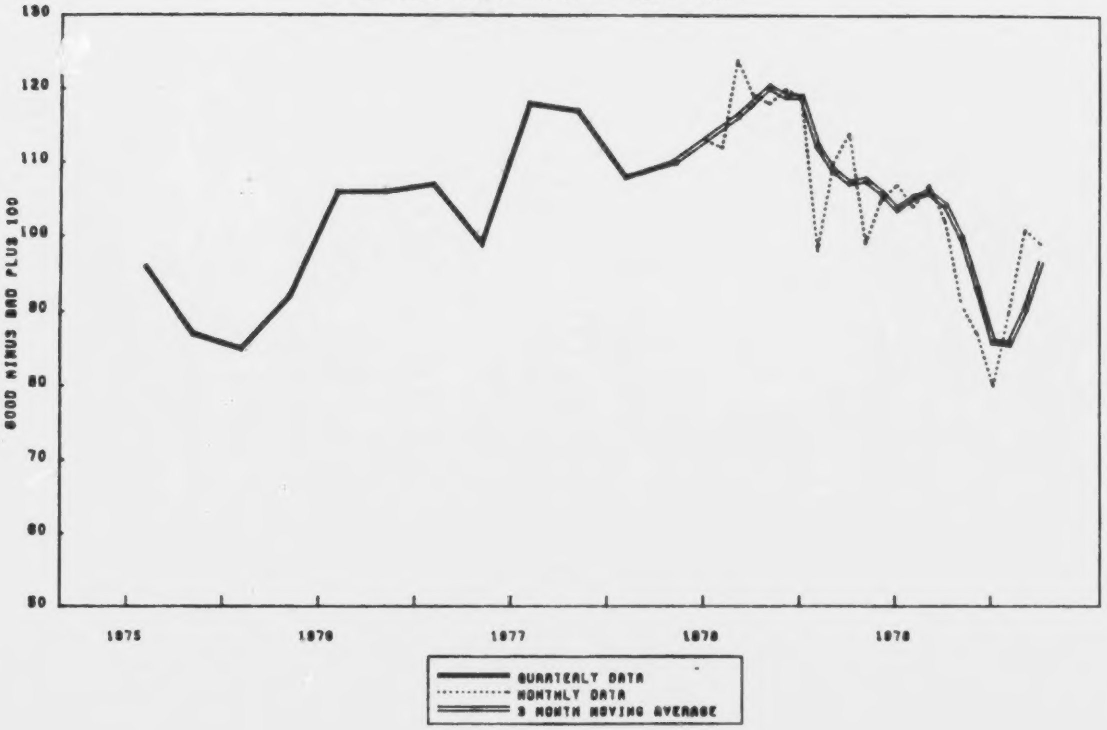

CHART 25 - HISTORICAL SERIES
BUYING CONDITIONS FOR CARS

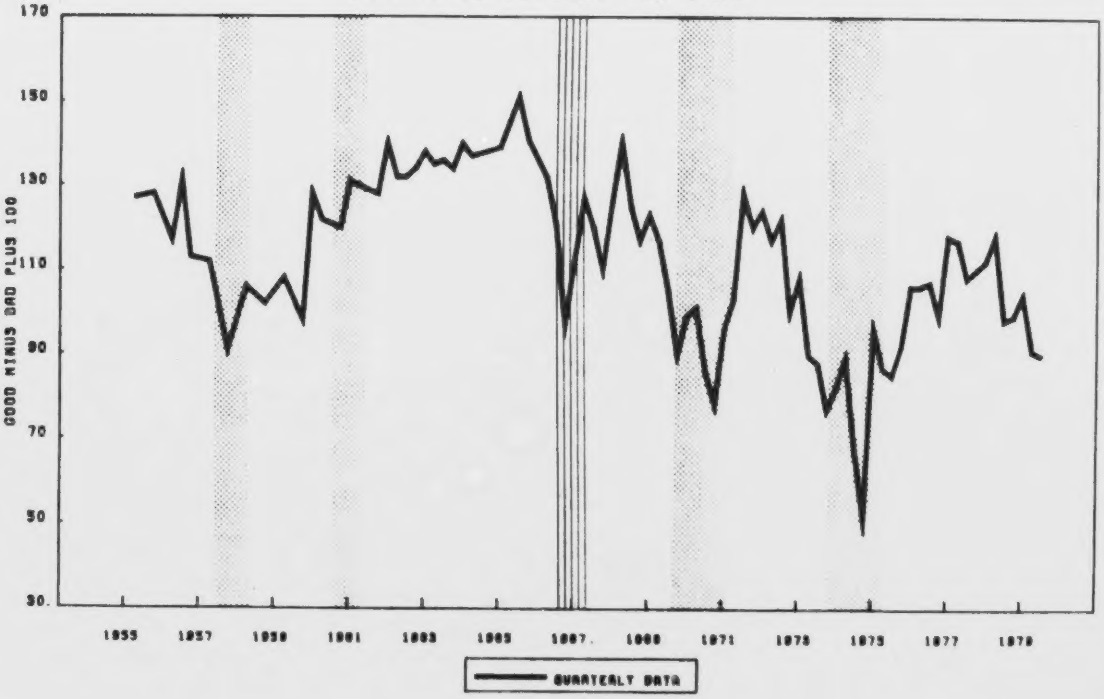

TABLE 25

BUYING CONDITIONS FOR CARS

	OCT. 1978	NOV. 1978	DEC. 1978	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979
GOOD TIME TO BUY	50%	39%	42%	46%	43%	47%	45%	39%	37%	32%	38%	44%	45%
UNCERTAIN, DEPENDS	14	21	21	15	18	13	12	13	13	16	14	12	9
BAD TIME TO BUY	36	40	37	39	39	40	43	48	50	52	48	44	46
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "SPEAKING NOW OF THE AUTOMOBILE MARKET — DO YOU THINK THE NEXT 12 MONTHS OR SO WILL BE A GOOD OR A BAD TIME TO BUY A CAR?"

TABLE 26

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

	OCT. 1978	NOV. 1978	DEC. 1978	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979
GOOD TIME TO BUY:													
PRICES ARE LOW; GOOD BUYS AVAILABLE	4%	7%	4%	6%	7%	5%	5%	6%	7%	10%	16%	18%	13%
PRICES GOING HIGHER; WON'T COME DOWN	38	28	31	33	29	35	30	22	21	17	13	21	23
NEW FUEL EFFICIENT MODELS	3	2	2	1	4	7	12	15	12	11	11	9	8
BAD TIME TO BUY:													
PRICES ARE HIGH; GOING UP	24	31	28	29	30	31	21	26	25	27	27	25	27
CREDIT; HIGH INTEREST RATES	3	6	6	5	6	6	5	5	3	4	7	6	8
ENERGY CRISIS	1	2	3	5	3	14	19	22	26	25	18	14	13

* = LESS THAN HALF OF ONE PERCENT.

RESPONSES TO THE QUERY "WHY DO YOU SAY SO?" FOLLOWING THE QUESTION NOTED IN THE PREVIOUS TABLE.

CHART 27 - RECENT CHANGES
BUYING CONDITIONS FOR HOUSES

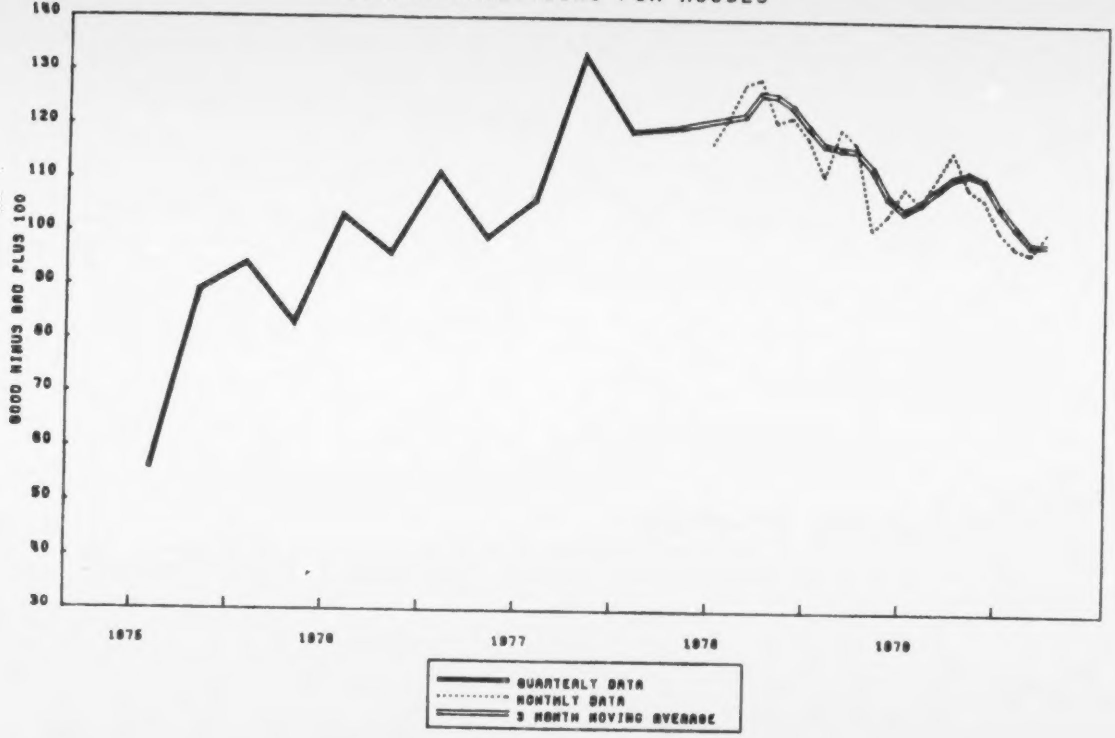

CHART 27 - HISTORICAL SERIES
BUYING CONDITIONS FOR HOUSES

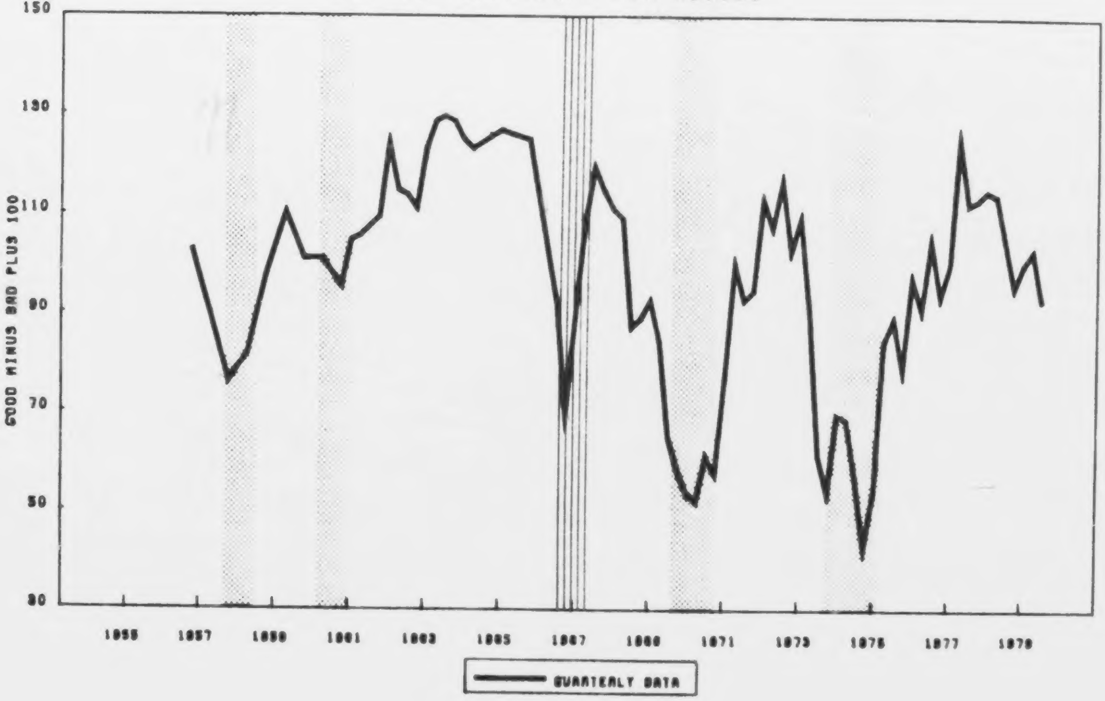

TABLE 27

BUYING CONDITIONS FOR HOUSES

	OCT. 1978	NOV. 1978	DEC. 1978	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979
GOOD TIME TO BUY	54%	45%	45%	50%	49%	50%	54%	51%	50%	48%	46%	46%	48%
UNCERTAIN, DEPENDS	9	11	12	9	8	11	8	7	7	5	6	5	5
BAD TIME TO BUY	37	44	42	41	43	39	38	42	43	47	48	49	47
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "GENERALLY SPEAKING, DO YOU THINK NOW IS A GOOD TIME OR A BAD TIME TO BUY A HOUSE?"

U 7475-2

OCTOBER 1979 SURVEY

November 2, 1979

Surveys of Consumer Attitudes

Monitoring Economic Change Program

F. Thomas Juster, *Director*
Monitoring Economic Change Program

George Katona, *Founder*
Consumer Survey Program

Richard T. Curtin, *Director*
Surveys of Consumer Attitudes

RECORD INTEREST RATES LOWER FAVORABLE BUYING ATTITUDES

**In the October 1979 survey, the Index of Consumer Sentiment was 62.1, down 4.6 Index-points from September, but above the low of 60.4 recorded three months earlier in July. Compared with a year ago, the Index is now 17 Index-points lower, and it has remained largely unchanged at this low level during the last three months.

**Among families with incomes of $15,000 or more, the Index of Consumer Sentiment was 56.5 in October 1979, down 2 Index-points from September, and less than 1 Index-point above the 1979 low recorded in July (55.7).

**The sharpest declines were recorded in short-term business expectations in the October survey; evaluations of personal finances and market conditions also declined. The major impact of record high interest rates and news of shifts in monetary policy has been to depress buying attitudes.

**In October 1979, 70 percent of all respondents expected interest rates to go up, while just 7 percent expected declines during the next year. This reading is identical to the September 1979 survey--and the November 1978 survey. Throughout the past year, interest rate expectations have remained at or near all time record levels.

**Price expectations declined for the 5th consecutive month, falling to 8.9% in October, from 11.4% in May 1979.

* * *

The October 1979 survey indicates that consumer sentiment has remained near record low levels. During the past year, favorable buying attitudes have been maintained through buy in advance rationales, despite widespread pessimistic business expectations. Recent declines in price expectations coupled with record high interest rates have significantly reduced favorable buying attitudes. Declines in consumer sales can be expected to accelerate in the near term, as a consequence.

Personal Finances Worsen

Nearly half of all families reported in the October survey that their financial situation had worsened, a level comparable only with those recorded during the 1974-75 recession. In October, 46 percent of all families reported that they were worse off than a year earlier (up from 37 percent in October 1978), and 28 percent reported being better off financially (down from 33 percent in October 1978). The October survey reverses the entire, although small, improvement in personal financial attitudes which have occurred since early summer 1979. Fewer respondents mentioned income increases in October 1979 (28 percent) than in October 1978 (38 percent), and more frequently mentioned higher prices making them worse off financially in October 1979 (48 percent) than in October 1978 (33 percent).

Personal financial expectations remained largely unchanged in the October survey from late summer readings. In October 1979, 28 percent of all families expected to be worse off financially in a year, while 24 percent expected to be better off financially. Although this represents a small improvement over the early summer lows (which accompanied the gas shortages), personal financial expectations nonetheless remained near all time record low levels.

Pessimistic Business Expectations

Evaluations of business conditions have deteriorated significantly during the past year. In October 1979, 63 percent of all respondents reported that business conditions had worsened (up from 32 percent in October 1978), while 22 percent felt business conditions had improved compared with a year earlier (down from 45 percent in October 1978). The major portion of this decline occurred in late 1978 and early 1979, with evaluations remaining largely unchanged at this low level the past three months.

More than twice as many respondents expected the economy in October 1979 to worsen (35 percent) than to improve (15 percent) during the next year. This reading is identical to the September 1979 survey, although significantly lower than October 1978, when improvement was somewhat more frequently expected than deterioration (22 versus 19 percent).

In October 1979, 70 percent of all respondents expected bad times financially in the economy as a whole during the next 12 months, nearly four times the proportion who expected good times financially (18 percent). Expected changes in business conditions during the next five years were also quite pessimistic and near record low levels. In the October survey, 67 percent of all families expected bad times in the economy during the next five years (up from 47 percent in October 1978), while just 16 percent expected good times financially (down from 24 percent in October 1978). As with short term business expectations, this represents a marginal improvement over the July 1979 record low readings.

Price Expectations Moderate

The October 1979 survey recorded declines in price expectations for the fifth consecutive month. In October, consumers expected prices to increase on average by 8.9%, down from 10.0% in September, and 11.4% in May 1979 (the all-time record level). In October, 36 percent of all respondents expected prices to increase by 10% or more during the next year, down from 45 percent in May 1979. The majority of respondents in October 1979 expected unemployment to increase (55 percent), compared with just 7 percent who expected declines. This represents a sharp deterioration from a year ago, when just 30 percent expected unemployment to increase, although unemployment expectations have remained largely unchanged during the past few months.

Confidence in government economic policy declined somewhat in the October survey from September 1979. Among all respondents, 45 percent rated government economic policy as poor in the October survey, up from 40 percent in September, and 30 percent in October 1978. The current level of confidence in government economic policy is barely above the mid-summer record low.

Federal Reserve Board Announcement

The October sample was subdivided based on whether the interview was conducted before or after the October 6th announcement. As shown in the following table, the Index of Consumer Sentiment was somewhat lower following the announcement, concentrated in less favorable short-term business expectations. High interest rates had their greatest impact on attitudes toward buying conditions for cars and houses, which were significantly more pessimistic following the October 6th announcement.

CHANGE IN ATTITUDES FOLLOWING FEDERAL RESERVE BOARD ANNOUNCEMENT

	Date of Interview		
	Before October 6	October 6 and later	Difference
Index of Consumer Sentiment	63.2	59.1	-4.1
Business Expectations[a]			
Economic news heard	52	42	-10
12-month	51	40	-11
5-year	50	45	-5
Government economic policy	60	62	+2
Market Attitudes[a]			
Durables	128	121	-7
Cars	104	86	-18
Houses	104	89	-15
Price expectations	8.6%	9.5%	+0.9%
Cases	837	331	

---

[a] Table entries represent the proportion giving favorable replies minus the proportion giving unfavorable replies, plus 100.

Less Favorable Buying Attitudes

In the October survey, 58 percent of all respondents favorably rated buying conditions for durables, down from 62 percent in September 1979 and October 1978. Nearly one-in-three now rate durable buying conditions as unfavorable, up from one-in-four in October 1978. The increase in unfavorable evaluations was due to more frequent complaints of high interest rates (8% in October 1979, up from 2% in October 1978).

Car buying attitudes have remained on balance unchanged from the September reading, although significantly below year ago levels. In October 1979, fewer respondents mentioned buy-in-advance rationales (23 percent, down from 38 percent in October 1978), and more frequently mentioned high interest rates for making buying conditions unfavorable (8 percent, up from 3 percent in October 1978).

* * *

The October survey included 1,168 interviews, conducted between September 24 and October 21, 1979.

U 7475-2

SURVEYS OF CONSUMER ATTITUDES

SURVEY RESEARCH CENTER
UNIVERSITY OF MICHIGAN

Institute for Social Research

TABLES AND CHARTS

NOVEMBER 1979

THE NOVEMBER 1979 SURVEY IS THE 112TH IN A SERIES OF SURVEYS OF CONSUMER ATTITUDES CONDUCTED DURING THE LAST 29 YEARS. THE PURPOSE OF THESE SURVEYS IS TO MEASURE CHANGES IN CONSUMER ATTITUDES AND EXPECTATIONS, AND TO INCREASE UNDERSTANDING OF WHY THESE CHANGES OCCUR AND HOW THEY AFFECT CONSUMER DECISIONS TO MAKE DISCRETIONARY PURCHASES OR TO SAVE. THIS TYPE OF UNDERSTANDING IS AN ESSENTIAL INGREDIENT FOR FORECASTING CHANGES IN AGGREGATE CONSUMER BEHAVIOR.

TWO CHARTS ARE PRESENTED FOR EVERY QUESTION. ONE GIVES QUARTERLY RESULTS FROM 1955 TO THE LAST QUARTERLY OBSERVATION. A SECOND CHART SHOWS MONTHLY RESULTS SINCE JANUARY OF 1978, WHEN THIS SERIES WAS INSTITUTED, ALONG WITH A SIMPLE THREE MONTH MOVING AVERAGE PLOTTED ON THE LAST OF THE THREE MONTHS.

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27	BUYING CONDITIONS FOR HOUSES

CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

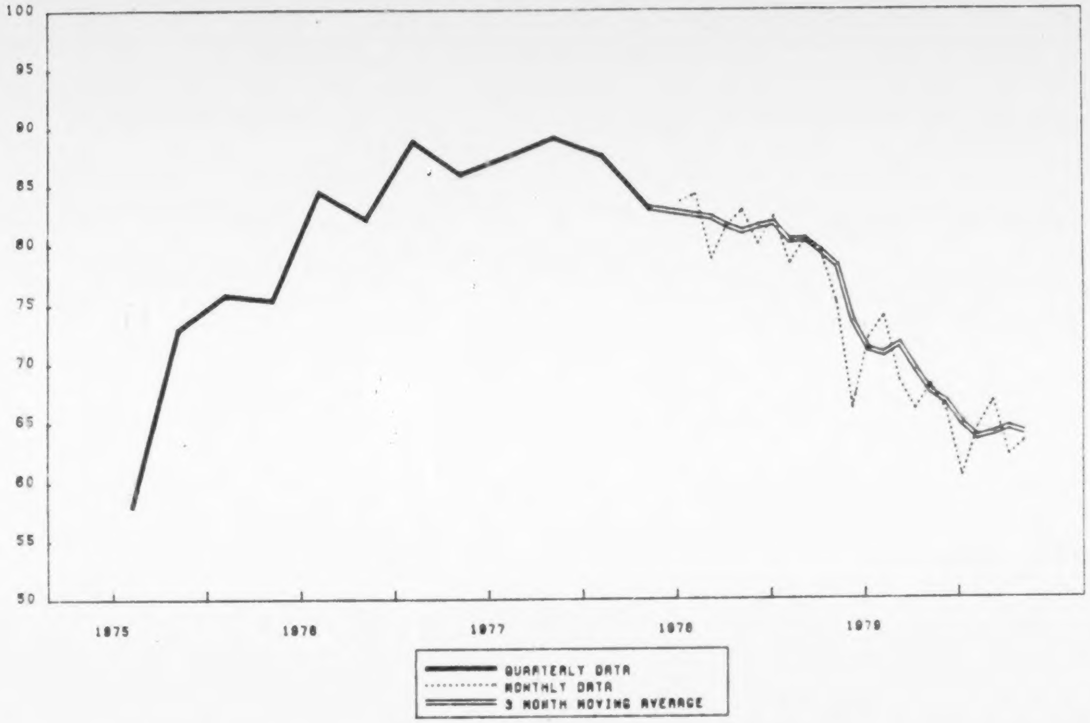

CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT

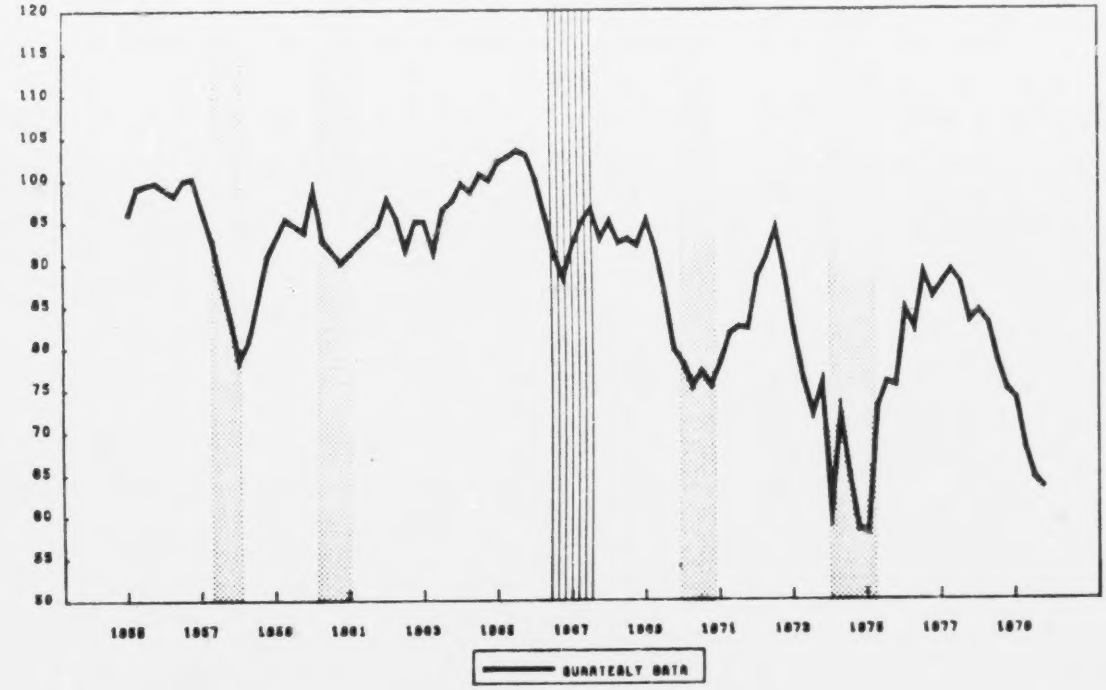

TABLE 1

THE INDEX OF CONSUMER SENTIMENT

DATE OF STUDY		ALL FAMILIES	INCOME $15,000+
FEBRUARY	1973	81.4	82.7
MAY	1973	76.0	77.9
AUG-SEPT.	1973	72.1	70.7
OCT-NOV.	1973	75.7	71.9
FEBRUARY	1974	60.9	56.3
MAY	1974	72.0	65.4
AUG-SEPT.	1974	64.5	55.0
OCTOBER	1974	58.4	55.4
FEBRUARY	1975	58.0	53.6
MAY	1975	72.9	66.2
AUG-SEPT.	1975	75.8	71.1
OCT-NOV.	1975	75.4	70.6
FEBRUARY	1976	84.5	78.1
MAY	1976	82.2	82.5
AUG-SEPT.	1976	88.8	87.3
NOV-DEC.	1976	86.0	80.9
FEBRUARY	1977	87.5	87.3
MAY	1977	89.1	84.0
AUG-SEPT.	1977	87.6	85.3
NOV-DEC.	1977	83.1	81.1
JANUARY	1978	83.7	80.3
FEBRUARY	1978	84.3	83.2
MARCH	1978	78.8	74.3
APRIL	1978	81.6	80.4
MAY	1978	82.9	74.7
JUNE	1978	80.0	77.8
JULY	1978	82.4	79.6
AUGUST	1978	78.4	72.5
SEPTEMBER	1978	80.4	76.1
OCTOBER	1978	79.3	76.1
NOVEMBER	1978	75.0	67.7
DECEMBER	1978	66.1	61.2
JANUARY	1979	72.1	68.4
FEBRUARY	1979	73.9	70.9
MARCH	1979	68.4	65.2
APRIL	1979	66.0	61.4
MAY	1979	68.1	62.1
JUNE	1979	65.8	60.1
JULY	1979	60.4	55.7
AUGUST	1979	64.5	59.1
SEPTEMBER	1979	66.7	58.5
OCTOBER	1979	62.1	56.5
NOVEMBER	1979	63.3	57.2

TABLE 3
COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT **

DATE	1*	2*	3*	4*	5*	CURRENT (1,5)	EXPECTED (2,3,4)
FEBRUARY 1975	81	103	45	47	100	71.3	50.1
MAY 1975	87	118	91	65	111	77.7	69.6
AUG-SEPT. 1975	93	109	97	75	120	83.4	71.1
OCT-NOV. 1975	98	119	94	64	117	84.1	70.1
FEBRUARY 1976	103	124	118	79	128	90.2	81.0
MAY 1976	100	118	120	76	124	87.5	78.9
AUG-SEPT. 1976	105	119	127	92	139	95.1	84.9
NOV-DEC. 1976	96	115	117	105	129	87.9	84.5
FEBRUARY 1977	99	121	115	97	141	93.6	84.5
MAY 1977	108	115	118	92	149	100.0	81.8
AUG-SEPT. 1977	107	116	115	86	149	99.7	79.8
NOV-DEC. 1977	107	107	104	84	139	95.9	74.5
JANUARY 1978	105	114	106	80	142	96.2	75.7
FEBRUARY 1978	106	109	108	89	139	95.4	77.1
MARCH 1978	100	107	91	77	140	93.2	69.5
APRIL 1978	104	112	98	71	148	97.9	71.1
MAY 1978	105	111	99	79	147	98.2	73.0
JUNE 1978	107	102	97	71	146	98.4	68.1
JULY 1978	108	111	105	69	146	98.7	71.9
AUGUST 1978	102	112	82	70	145	96.1	67.0
SEPTEMBER 1978	109	108	96	71	140	96.9	69.7
OCTOBER 1978	96	104	103	77	138	91.2	71.6
NOVEMBER 1978	106	105	74	67	135	94.1	62.8
DECEMBER 1978	95	97	61	53	123	85.2	53.7
JANUARY 1979	100	99	72	58	138	93.3	58.4
FEBRUARY 1979	99	98	75	71	138	92.2	62.2
MARCH 1979	96	99	57	53	138	91.2	53.7
APRIL 1979	85	90	63	56	134	85.9	53.3
MAY 1979	91	95	58	62	136	88.7	54.9
JUNE 1979	92	91	54	55	134	88.2	51.4
JULY 1979	89	92	39	40	130	85.7	44.2
AUGUST 1979	95	98	46	48	131	88.2	49.3
SEPTEMBER 1979	90	98	60	51	133	87.1	53.6
OCTOBER 1979	82	96	48	49	126	81.6	49.5
NOVEMBER 1979	86	97	52	54	120	80.9	52.0

PERSONAL FINANCIAL ATTITUDES
   1* BETTER OR WORSE OFF THAN A YEAR AGO
   2* EXPECT TO BE BETTER OR WORSE OFF IN A YEAR
EXPECTED BUSINESS CONDITIONS
   3* NEXT 12 MONTHS
   4* NEXT 5 YEARS
MARKET CONDITIONS
   5* BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

**PERCENT SAYING "GOOD TIMES" (OR "BETTER"), MINUS PERCENT SAYING "BAD TIMES" (OR "WORSE"), PLUS 100.

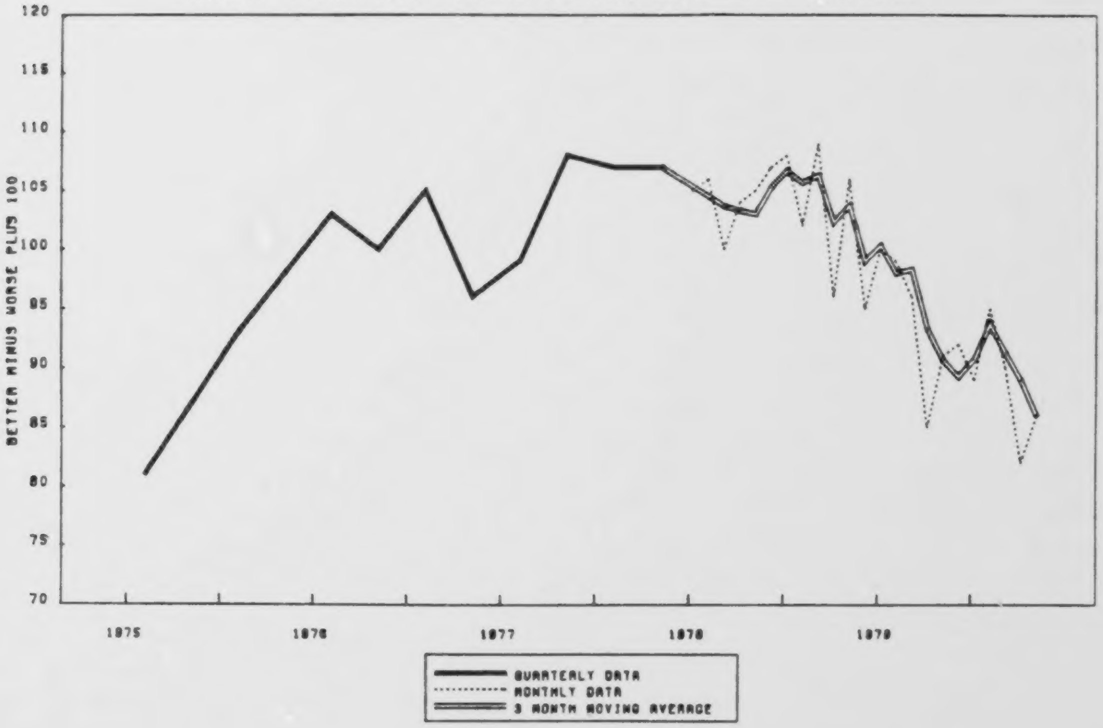

CHART 4 - RECENT CHANGES
CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

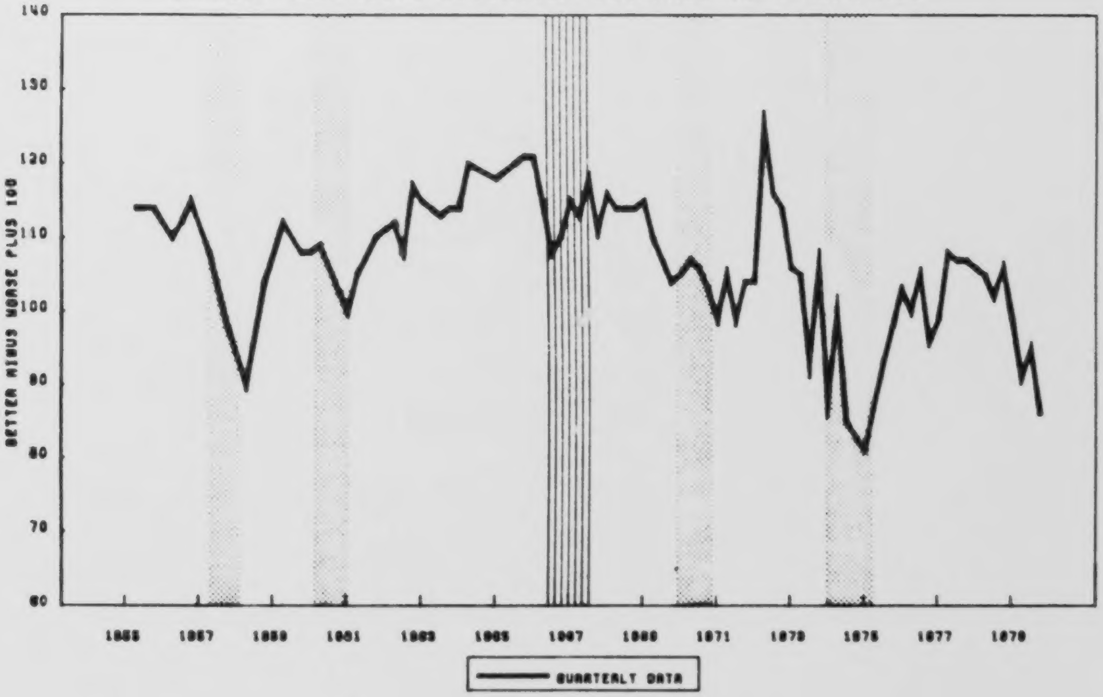

CHART 4 - HISTORICAL SERIES
CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

TABLE 4

CURRENT FINANCIAL SITUATION
COMPARED TO A YEAR AGO

	NOV. 1978	DEC. 1978	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979
BETTER OFF	37%	33%	38%	34%	32%	30%	31%	34%	31%	33%	31%	28%	30%
SAME	31	28	23	30	32	24	29	24	27	28	27	26	25
WORSE OFF	31	38	38	35	36	45	40	42	42	38	41	46	44
DK, NA	1	1	1	1	*	1	*	*	*	1	1	*	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

* = LESS THAN HALF OF ONE PERCENT.

THE QUESTION WAS: "WE ARE INTERESTED IN HOW PEOPLE ARE GETTING ALONG FINANCIALLY THESE DAYS. WOULD YOU SAY THAT YOU (AND YOUR FAMILY LIVING THERE) ARE BETTER OFF OR WORSE OFF FINANCIALLY THAN YOU WERE A YEAR AGO?"

TABLE 5

SELECTED REASONS FOR OPINIONS
ABOUT PERSONAL FINANCIAL SITUATION NOW
COMPARED TO A YEAR AGO

	NOV. 1978	DEC. 1978	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979
BETTER OFF BECAUSE:													
INCOME IS HIGHER	30%	32%	34%	28%	32%	33%	29%	32%	31%	29%	30%	28%	31%
WORSE OFF BECAUSE:													
INCOME IS LOWER	13	13	13	14	11	13	11	9	12	11	13	13	15
HIGHER PRICES	31	31	33	33	38	46	43	47	44	40	47	48	47

RESPONSES TO THE QUERY "WHY DO YOU SAY SO?" FOLLOWING THE QUESTION NOTED IN THE PREVIOUS TABLE.

CHART 6 - RECENT CHANGES
EXPECTED CHANGE IN FINANCIAL SITUATION

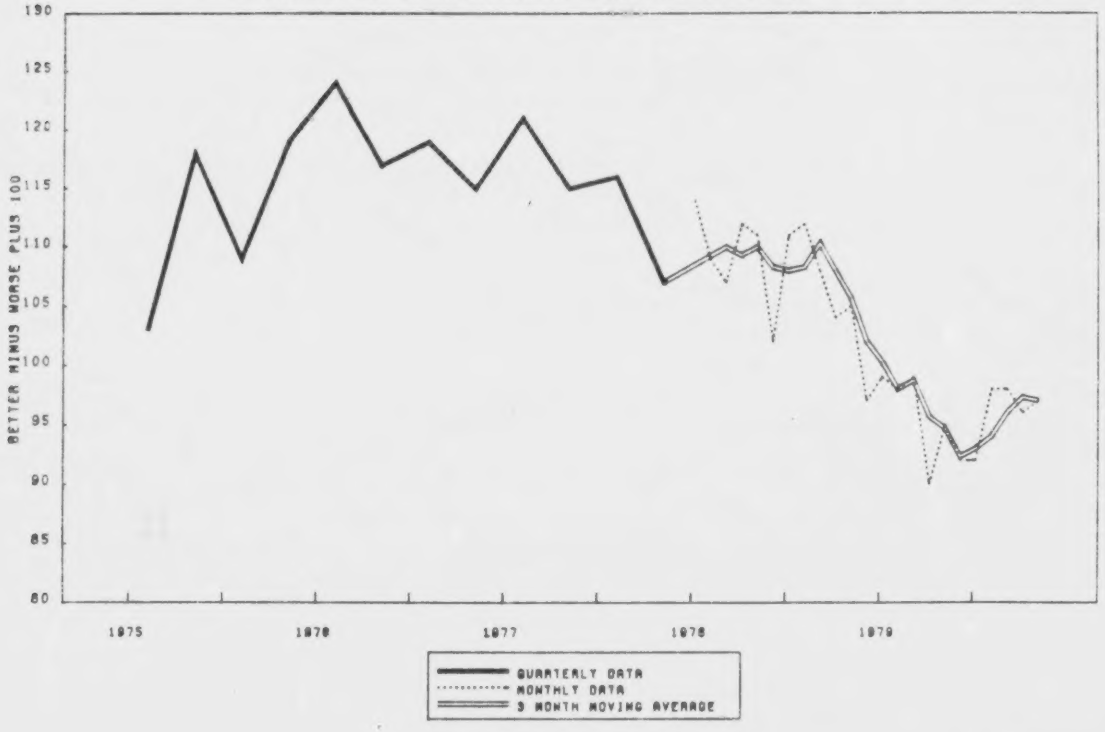

CHART 6 - HISTORICAL SERIES
EXPECTED CHANGE IN FINANCIAL SITUATION

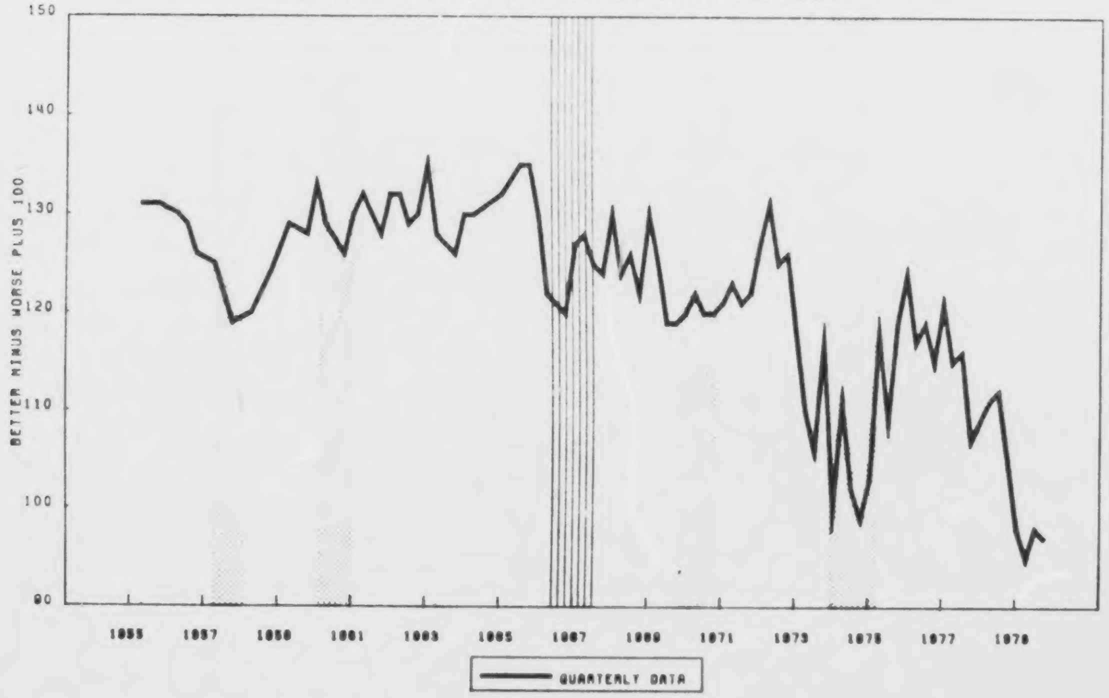

TABLE 6

EXPECTED CHANGE IN FINANCIAL SITUATION

	NOV. 1978	DEC. 1978	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979
BETTER OFF	27%	21%	22%	24%	24%	21%	21%	21%	20%	23%	24%	24%	21%
SAME	46	46	51	45	48	45	49	46	49	50	47	45	53
WORSE OFF	22	24	23	26	25	31	26	29	28	25	26	28	24
DK/NA	5	9	4	5	3	3	4	4	3	2	3	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "NOW LOOKING AHEAD - DO YOU THINK THAT A YEAR FROM NOW YOU (AND YOUR FAMILY LIVING THERE) WILL BE BETTER OFF FINANCIALLY, OR WORSE OFF, OR JUST ABOUT THE SAME AS NOW?"

CHART 7 - RECENT CHANGES
TREND IN PERSONAL FINANCIAL SITUATION

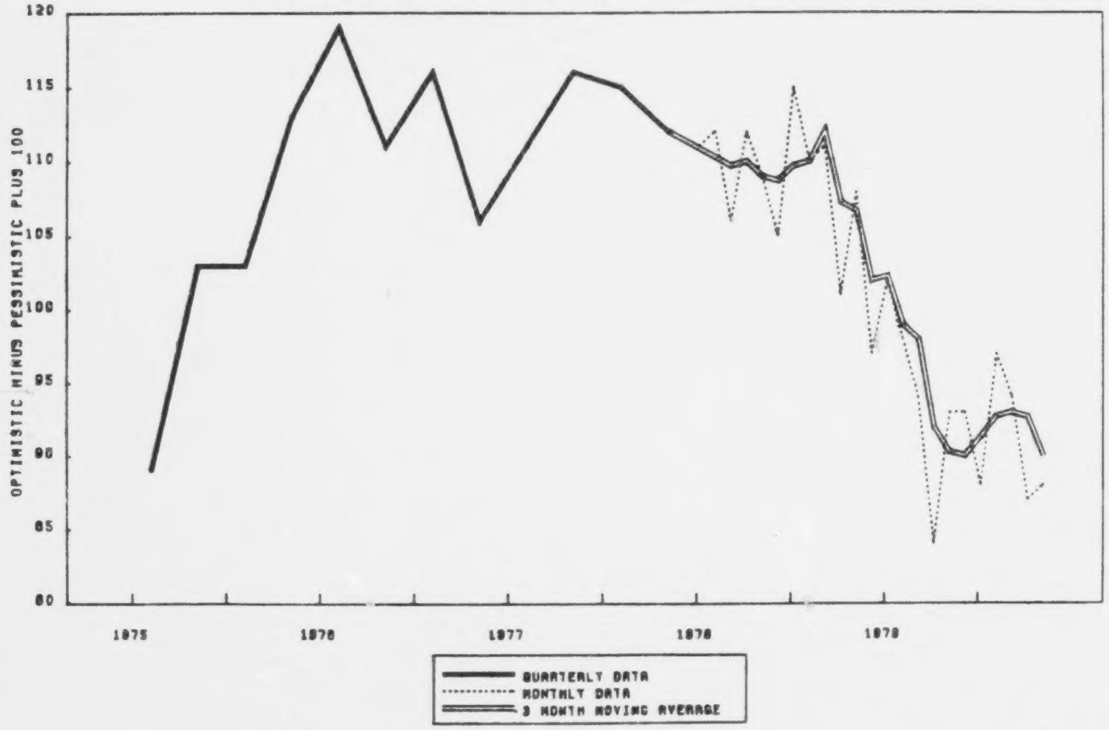

CHART 7 - HISTORICAL SERIES
TREND IN PERSONAL FINANCIAL SITUATION

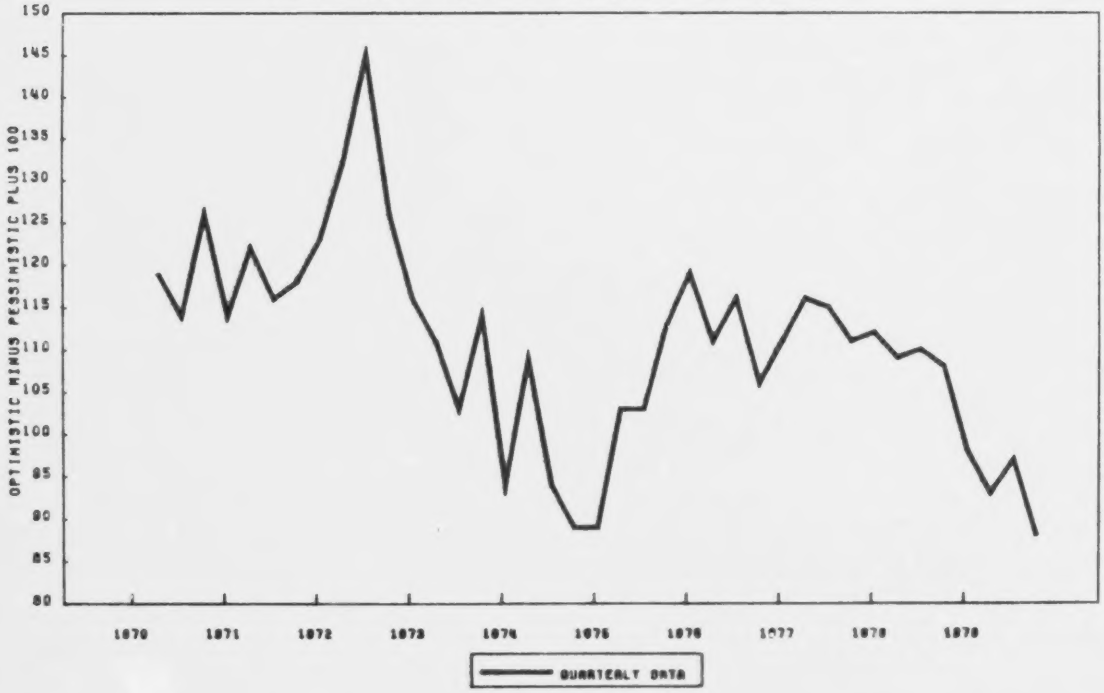

TABLE 7

TREND IN PERSONAL FINANCIAL SITUATION

	NOV. 1978	DEC. 1978	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979
B/B+	16%	12%	14%	13%	15%	13%	9%	11%	11%	13%	11%	11%	11%
B/S, S/B	21	20	24	20	17	17	21	22	19	21	20	18	19
S/S	18	15	15	17	18	13	17	13	16	17	16	14	16
W/S, S/W	18	20	20	20	24	26	21	21	24	22	21	23	26
W/W	11	15	16	15	14	20	17	19	18	15	16	19	16
W/B, B/W	10	9	8	10	8	8	10	10	8	9	13	12	10
DK, NA	6	9	3	5	4	3	5	4	4	3	3	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

KEY: B=BETTER, S=SAME, W=WORSE; DK=DON'T KNOW, NA=NOT ASCERTAINED,
+ = BETTER THAN A YEAR AGO/WILL BE BETTER A YEAR FROM NOW.

TABLE 10

EXPECT INCOME OR PRICES UP MORE NEXT YEAR

	NOV. 1978	DEC. 1978	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979
INCOME UP MORE	12%	12%	9%	10%	9%	10%	11%	9%	11%	12%	9%	9%	10%
INCOME UP SAME	38	36	35	35	35	30	36	35	32	34	35	35	38
PRICES UP MORE	45	47	51	49	52	56	48	53	55	50	53	52	49
DK, NA	5	5	5	6	4	4	5	3	2	4	3	4	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "HOW ABOUT IN THE NEXT YEAR OR TWO -- DO YOU EXPECT YOUR (FAMILY) INCOME WILL GO UP MORE THAN PRICES WILL GO UP, ABOUT THE SAME, OR LESS THAN PRICES WILL GO UP?"

CHART 11 - RECENT CHANGES

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

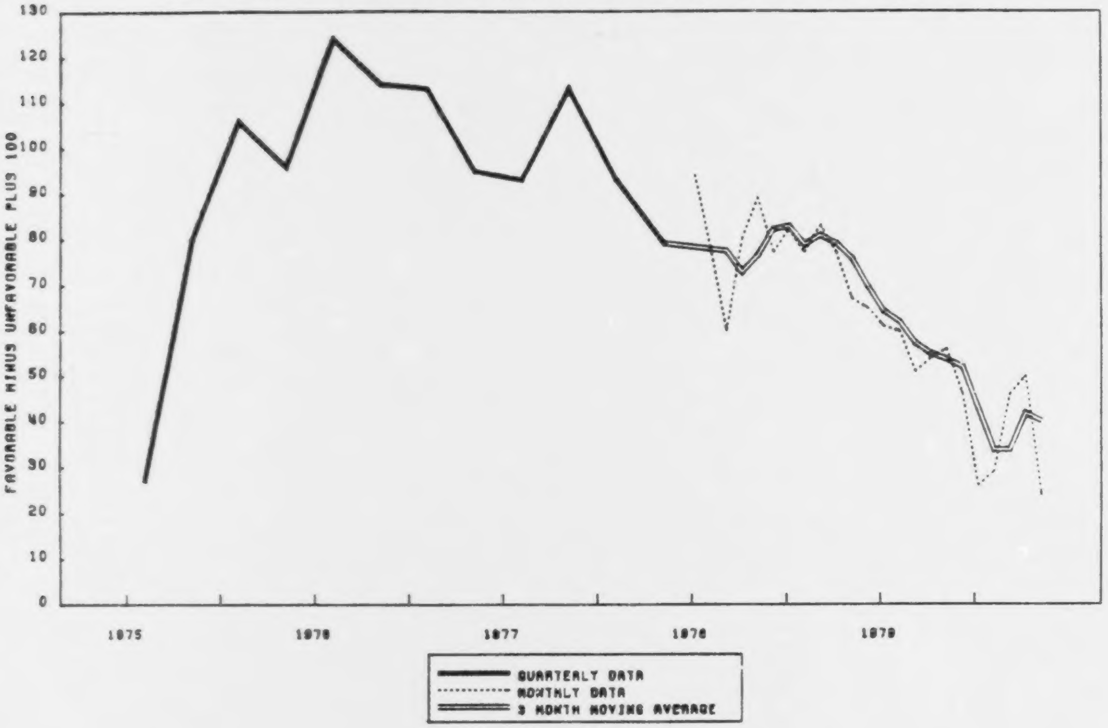

CHART 11 - HISTORICAL SERIES

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

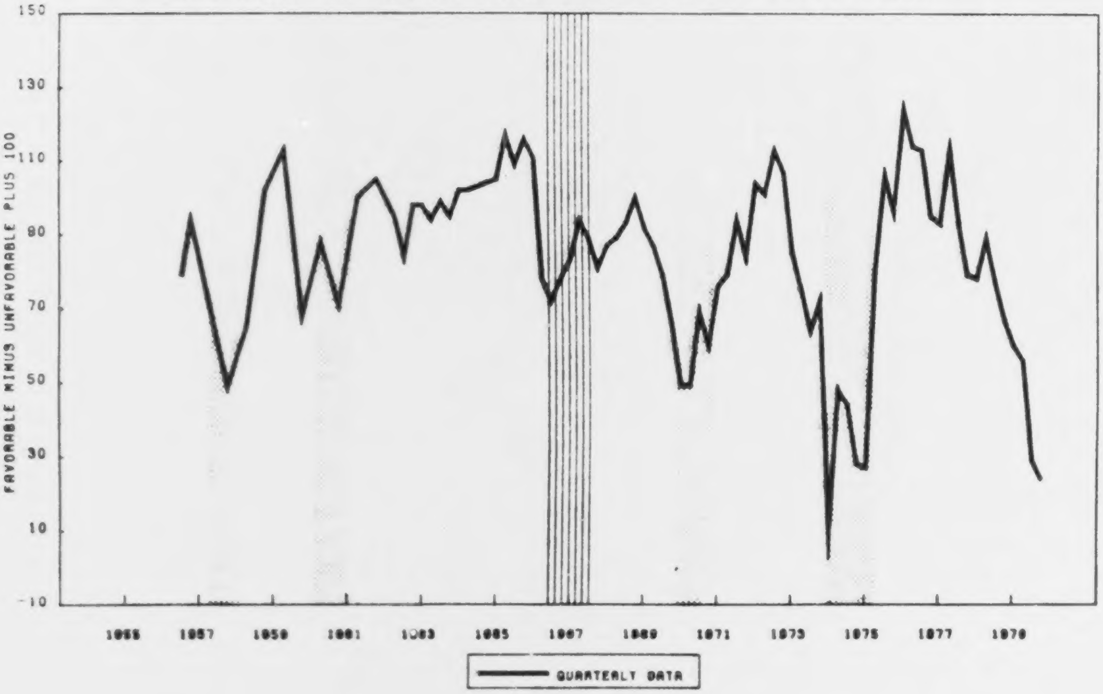

TABLE 11

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

	NOV. 1978	DEC. 1978	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979
FAVORABLE NEWS	19%	17%	15%	21%	13%	18%	18%	13%	12%	15%	11%	13%	11%
UNFAVORABLE NEWS	52	52	54	61	62	64	62	67	86	86	65	63	87
NO MENTIONS	49	47	47	45	44	40	46	43	33	34	47	47	38

ADDS TO MORE THAN 100% DUE TO RESPONDENTS MENTIONING TWO CHANGES.

THE QUESTIONS WERE: "DURING THE LAST FEW MONTHS, HAVE YOU HEARD OF ANY FAVORABLE OR UNFAVORABLE CHANGES IN BUSINESS CONDITIONS? WHAT DID YOU HEAR?"

CHART 12 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

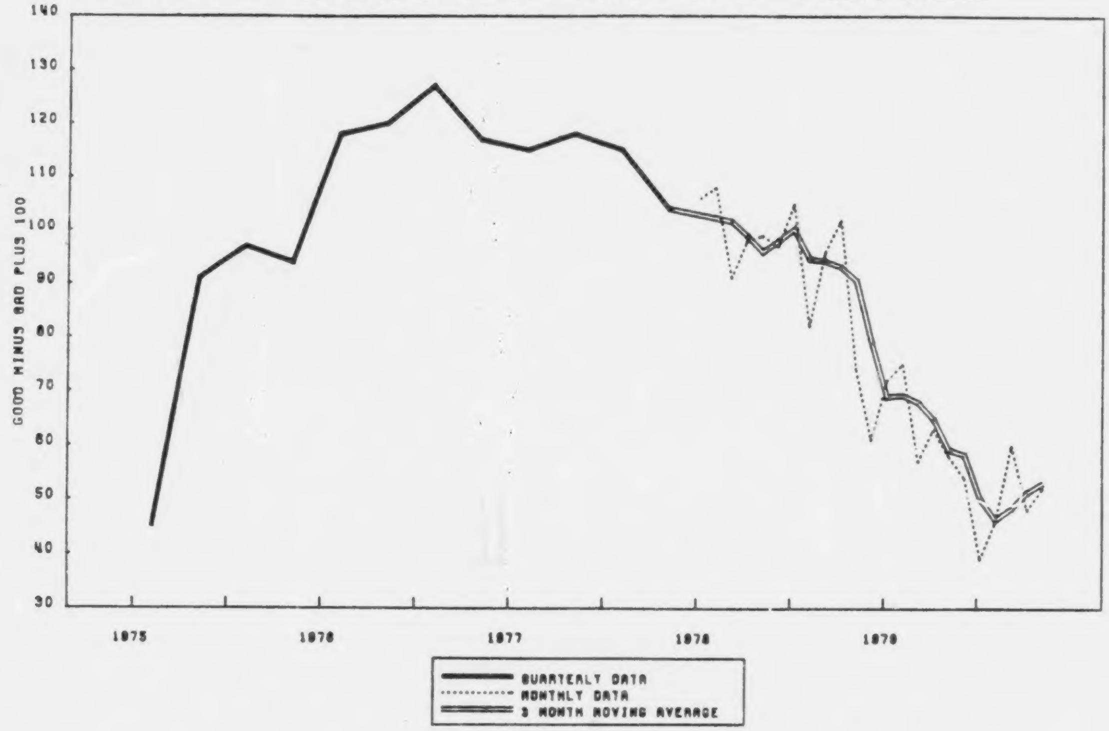

CHART 12 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

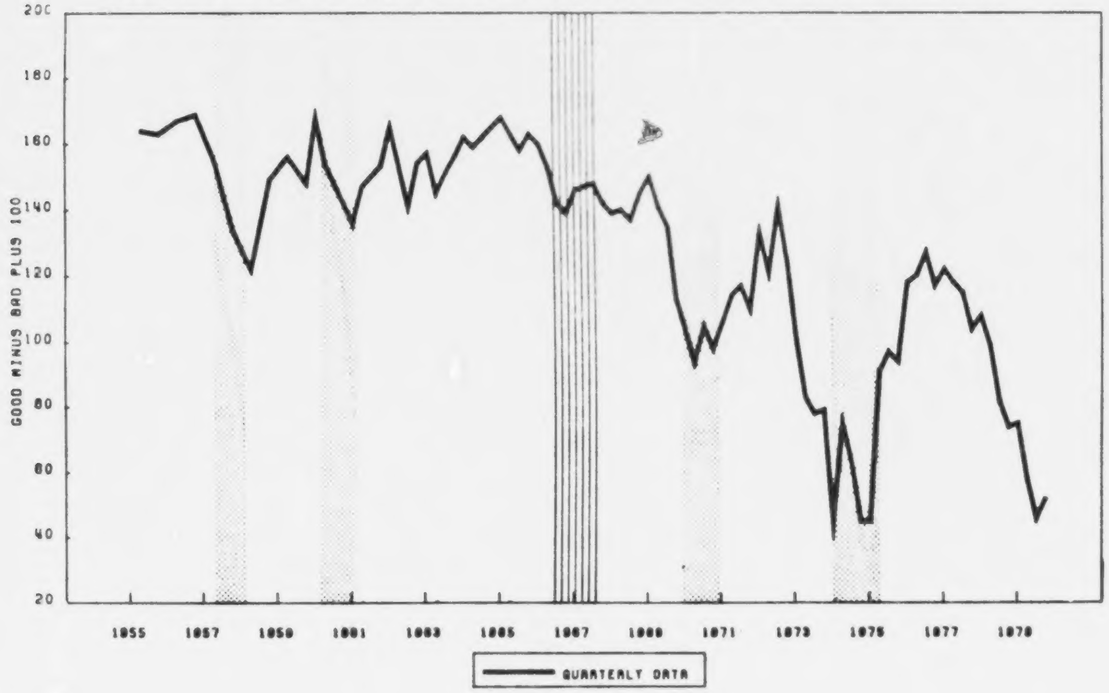

TABLE 12

BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

	NOV. 1978	DEC. 1978	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979
GOOD TIMES	28%	19%	27%	29%	20%	24%	21%	20%	13%	17%	23%	18%	20%
GOOD IN SOME WAYS, BAD IN OTHERS	6	10	6	6	3	5	5	2	1	3	3	1	3
BAD TIMES	54	58	55	54	63	61	63	66	74	71	63	70	68
UNCERTAIN	10	9	6	8	8	5	4	5	4	5	5	5	4
NOT ASCERTAINED	2	4	6	3	6	5	7	7	8	4	6	6	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "NOW TURNING TO BUSINESS CONDITIONS IN THE COUNTRY AS A WHOLE — DO YOU THINK THAT DURING THE NEXT 12 MONTHS WE'LL HAVE GOOD TIMES FINANCIALLY OR BAD TIMES, OR WHAT?

CHART 13 - RECENT CHANGES
CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

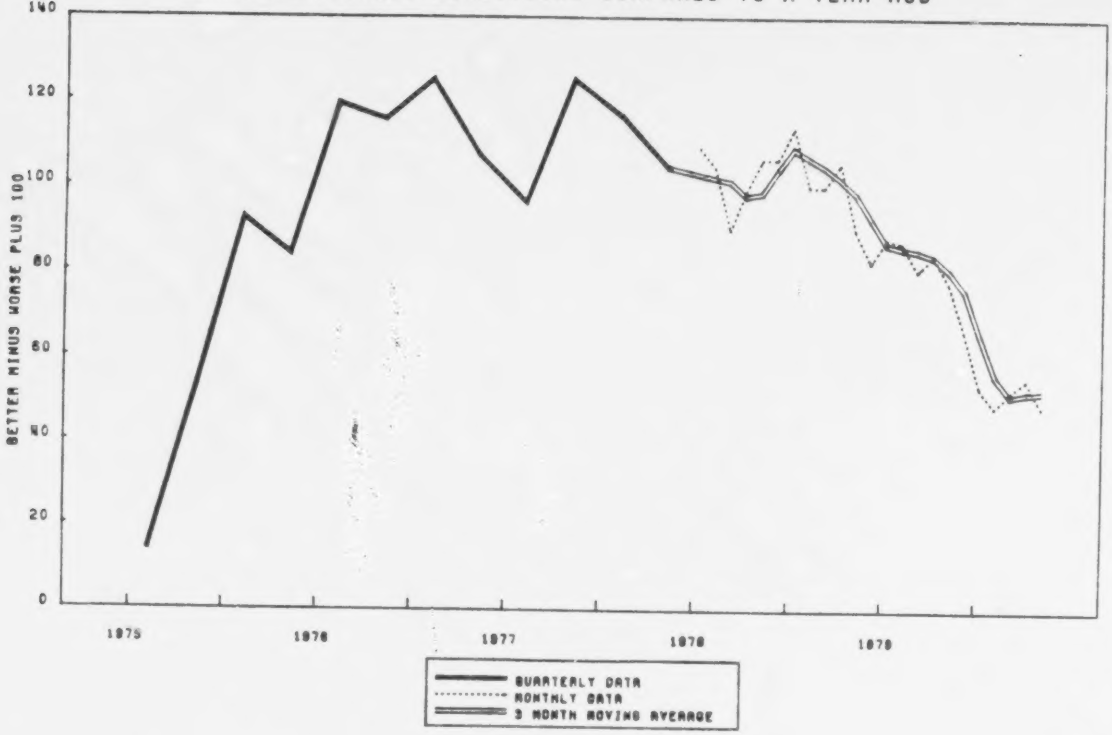

CHART 13 - HISTORICAL SERIES
CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

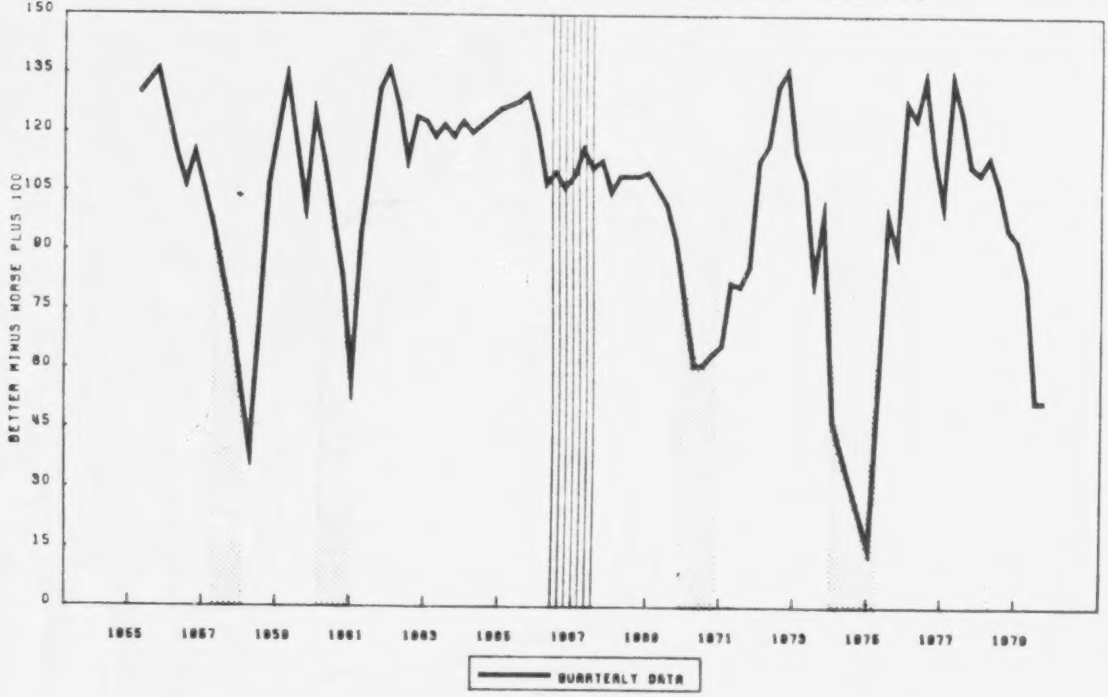

TABLE 12

BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

	NOV. 1978	DEC. 1978	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979
GOOD TIMES	28%	19%	27%	29%	20%	24%	21%	20%	13%	17%	23%	18%	20%
GOOD IN SOME WAYS, BAD IN OTHERS	6	10	6	6	3	5	5	2	1	3	3	1	3
BAD TIMES	54	58	55	54	63	61	63	66	74	71	63	70	68
UNCERTAIN	10	9	6	8	8	5	4	5	4	5	5	5	4
NOT ASCERTAINED	2	4	6	3	6	5	7	7	8	4	6	6	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "NOW TURNING TO BUSINESS CONDITIONS IN THE COUNTRY AS A WHOLE — DO YOU THINK THAT DURING THE NEXT 12 MONTHS WE'LL HAVE GOOD TIMES FINANCIALLY OR BAD TIMES, OR WHAT?

CHART 13 - RECENT CHANGES
CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

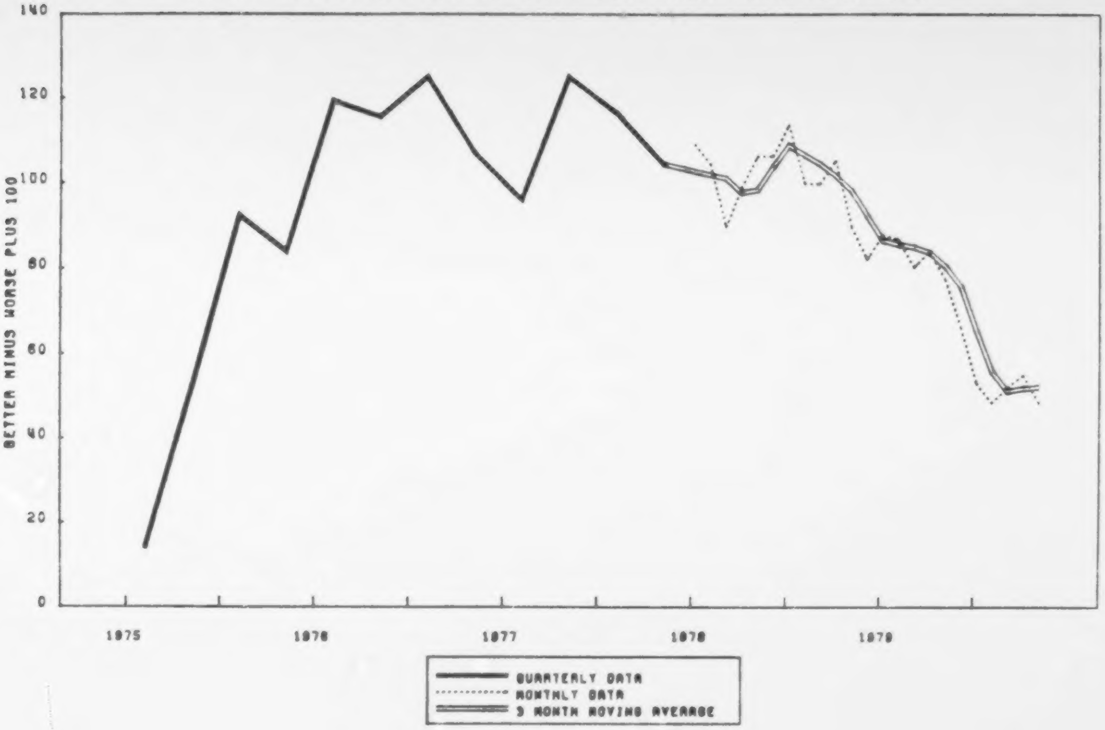

CHART 13 - HISTORICAL SERIES
CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

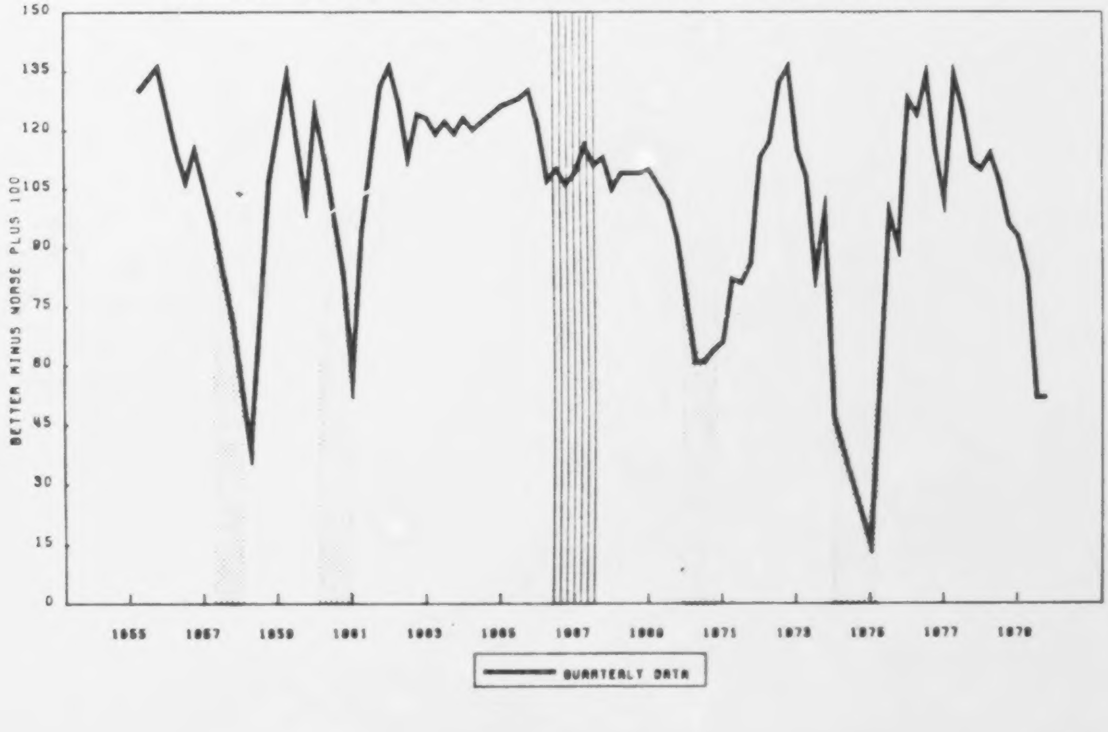

TABLE 13

CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

	NOV. 1978	DEC. 1978	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979
BETTER NOW	38%	31%	38%	37%	33%	36%	33%	27%	22%	20%	22%	22%	19%
SAME	15	21	14	15	16	13	15	13	10	10	9	12	12
WORSE NOW	42	43	44	44	47	46	50	56	65	68	66	63	67
DK, NA	5	5	4	4	4	5	2	4	3	2	3	4	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "WOULD YOU SAY THAT AT THE PRESENT TIME BUSINESS CONDITIONS ARE BETTER OR WORSE THAN THEY WERE A YEAR AGO?"

CHART 14 - RECENT CHANGES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

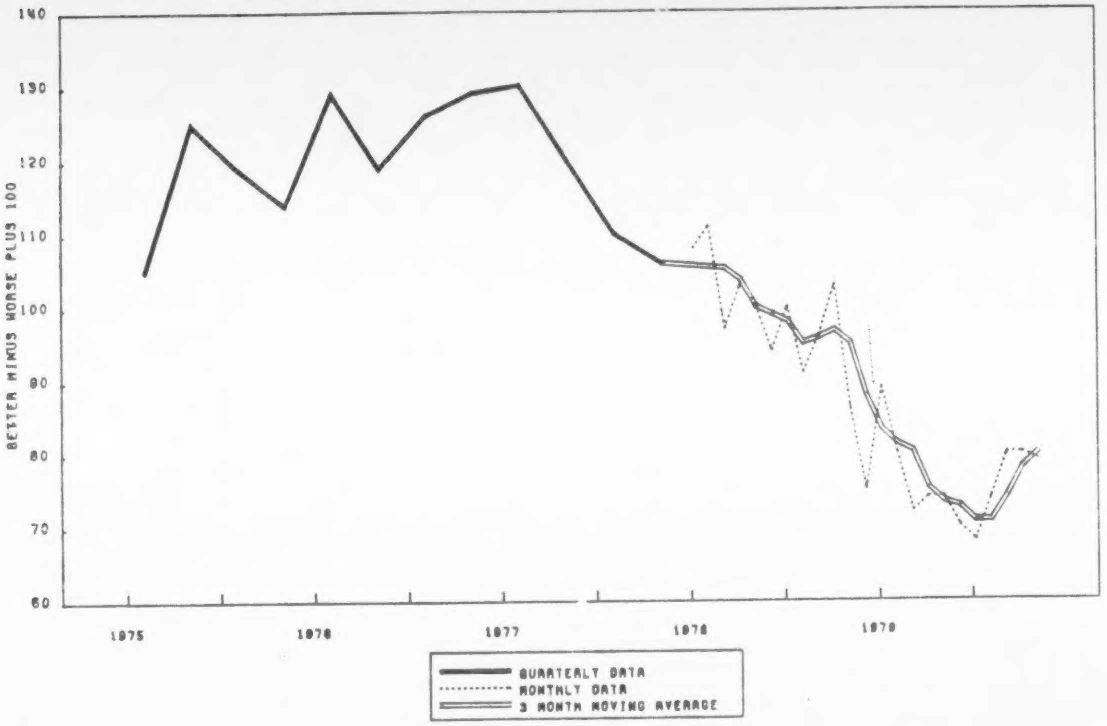

CHART 14 - HISTORICAL SERIES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

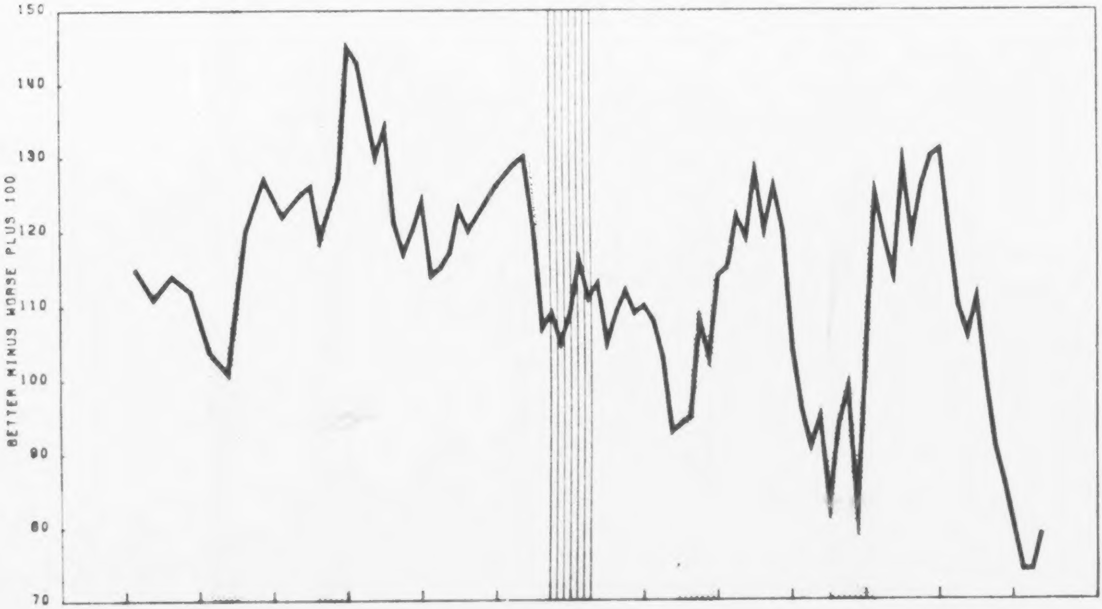

TABLE 14

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

	NOV. 1978	DEC. 1978	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979
BETTER	17%	13%	19%	14%	10%	12%	11%	12%	11%	13%	15%	15%	15%
SAME	47	42	48	48	47	45	49	42	43	46	46	47	47
WORSE	31	38	30	34%	38	38	37	42	43	39	35	35	36
DK, NA	5	7	3	4	5	5	2	4	3	2	4	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "AND HOW ABOUT A YEAR FROM NOW, DO YOU EXPECT THAT IN THE COUNTRY AS A WHOLE BUSINESS CONDITIONS WILL BE BETTER OR WORSE THAN THEY ARE AT PRESENT, OR JUST ABOUT THE SAME?"

CHART 15 - RECENT CHANGES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

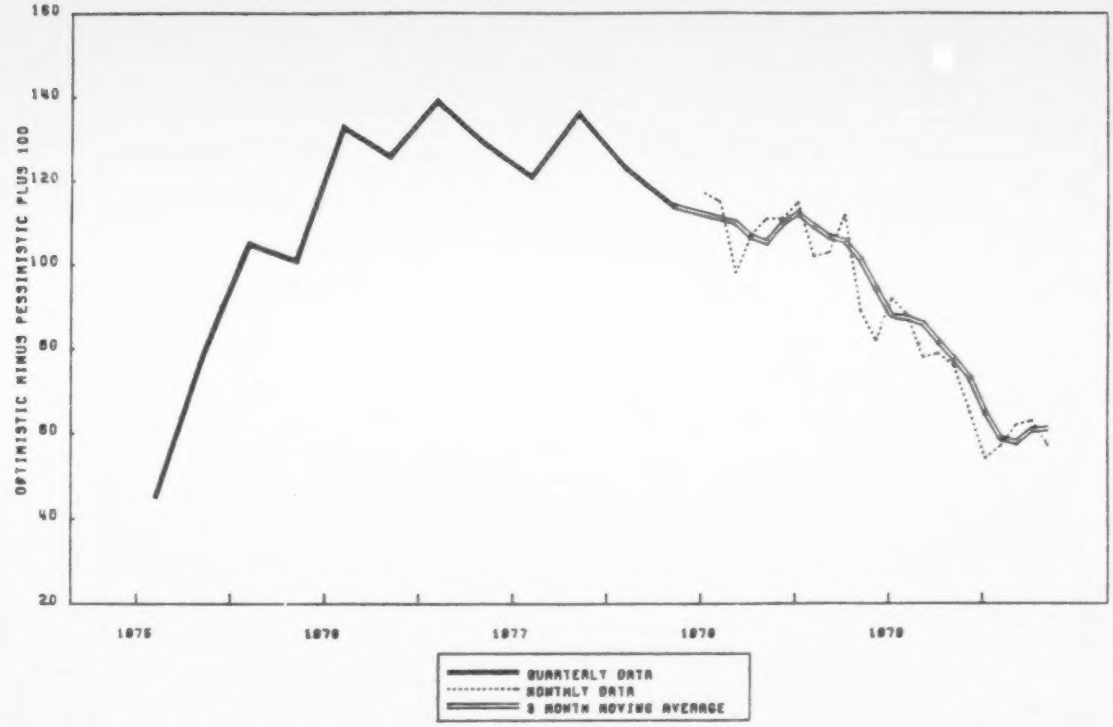

CHART 15 - HISTORICAL SERIES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

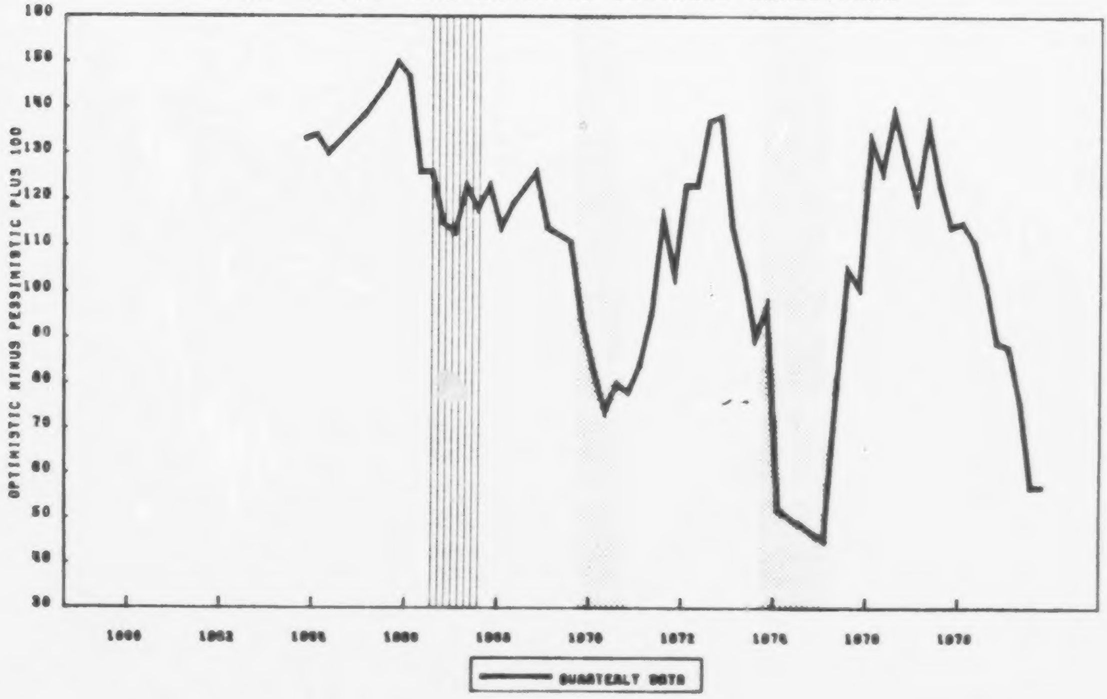

TABLE 15

TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

	NOV. 1978	DEC. 1978	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979
B/B+	10%	6%	10%	9%	5%	8%	7%	6%	3%	4%	5%	6%	4%
B/S, S/B	19	20	23	21	20	17	17	13	13	13	14	13	12
S/S	9	11	8	9	8	8	10	7	5	5	5	7	8
W/S, S/W	23	19	21	20	23	23	25	27	29	30	30	31	30
W/W	17	25	20	22	24	23	23	28	33	31	27	26	29
W/B, B/W	13	10	13	12	11	14	13	12	13	12	13	11	14
DK, NA	9	9	5	7	9	7	5	7	4	5	6	6	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

KEY: B=BETTER, S=SAME, W=WORSE, DK=DON'T KNOW, NA=NOT ASCERTAINED,

+ = BETTER THAN A YEAR AGO/WILL BE BETTER A YEAR FROM NOW.

CHART 16 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

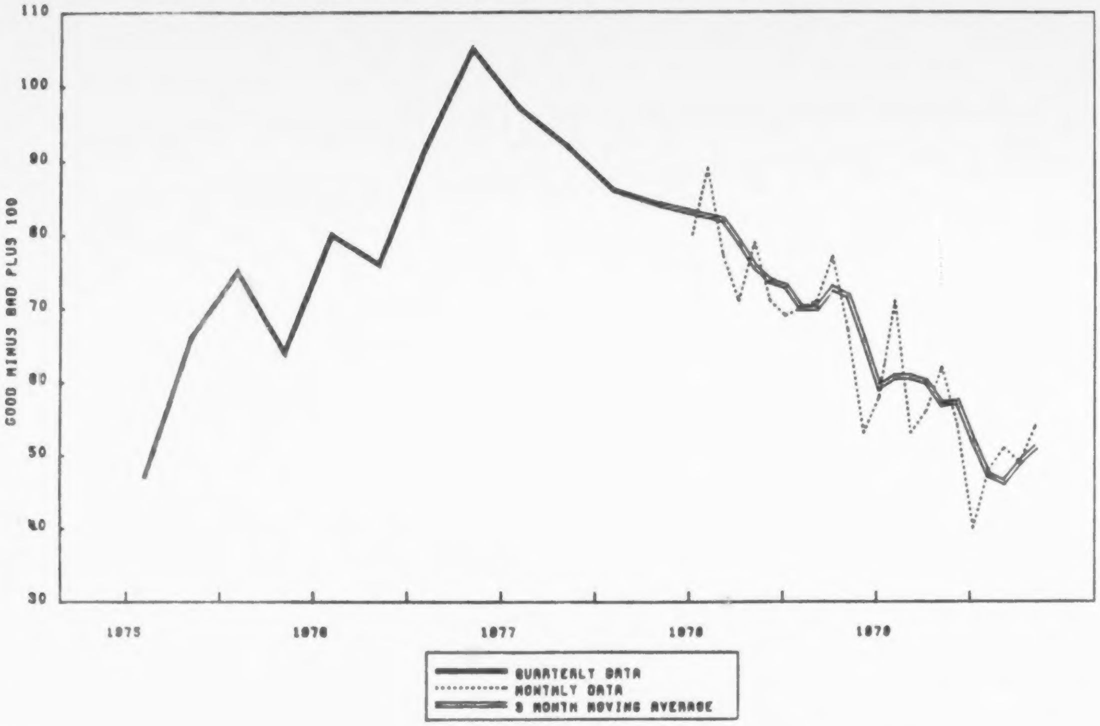

CHART 16 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

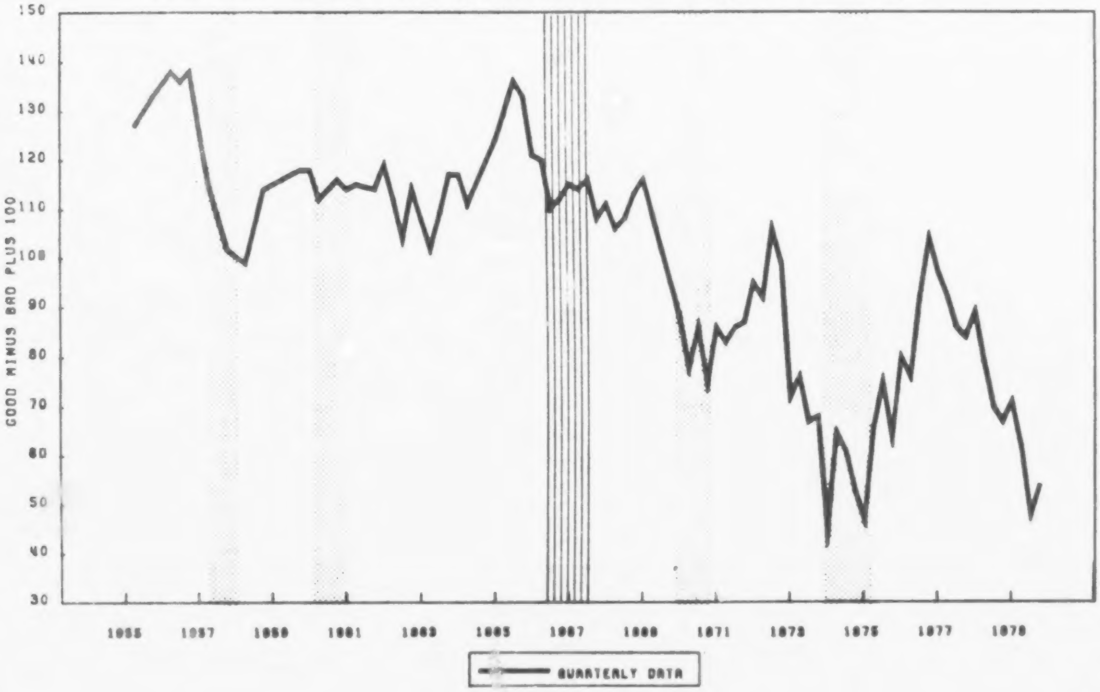

TABLE 16

BUSINESS CONDITIONS EXPECTED FOR NEXT FIVE YEARS

	NOV. 1978	DEC. 1978	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979
GOOD TIMES	20%	10%	18%	23%	16%	18%	19%	14%	10%	14%	16%	16%	18%
UNCERTAIN, GOOD & BAD	18	22	17	18	[illegible]	13	17	16	14	15	16	13	12
BAD TIMES	53	57	60	52	63	62	57	60	70	66	65	67	64
NA	9	11	5	7	7	7	7	10	6	5	3	4	6
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "LOOKING AHEAD, WHICH WOULD YOU SAY IS MORE LIKELY -- THAT IN THE COUNTRY AS A WHOLE WE'LL HAVE CONTINUOUS GOOD TIMES DURING THE NEXT 5 YEARS OR SO, OR THAT WE WILL HAVE PERIODS OF WIDESPREAD UNEMPLOYMENT OR DEPRESSION, OR WHAT?"

CHART 17 - RECENT CHANGES
EXPECTED CHANGE IN INTEREST RATES

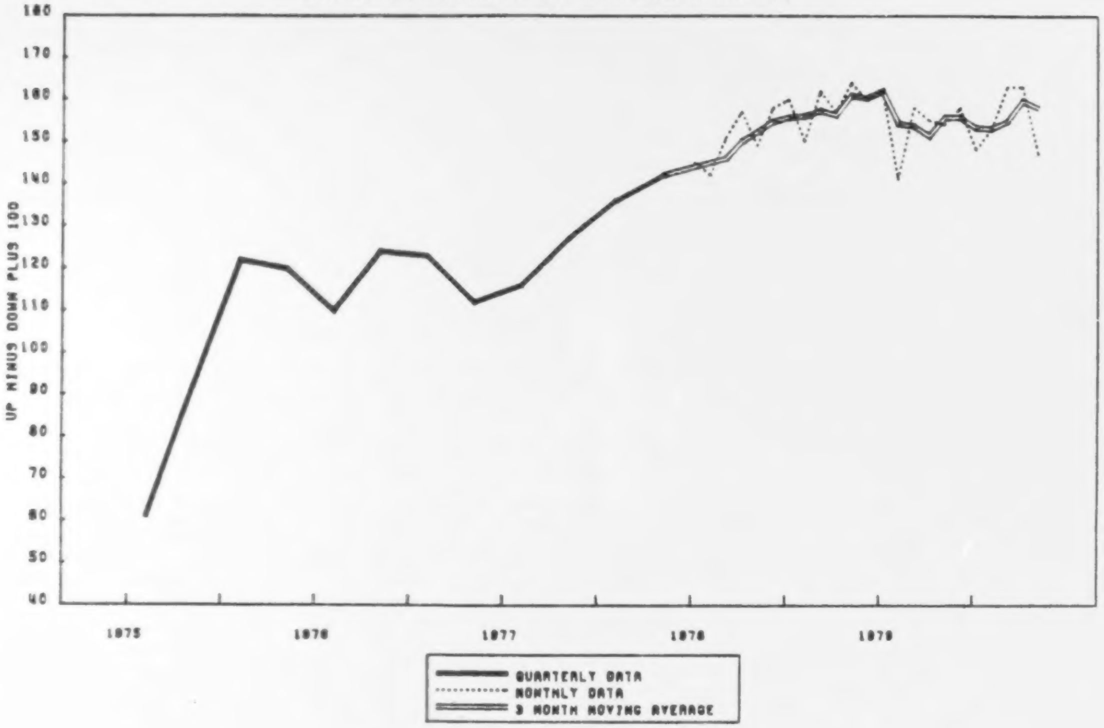

CHART 17 - HISTORICAL SERIES
EXPECTED CHANGE IN INTEREST RATES

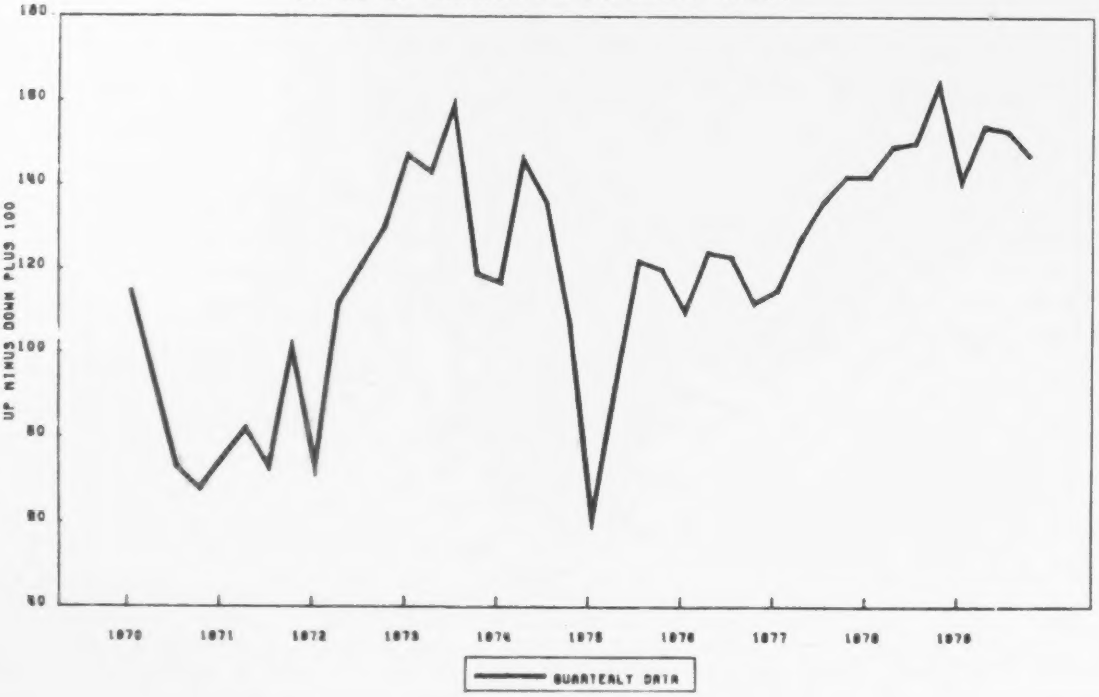

TABLE 17

EXPECTED CHANGE IN INTEREST RATES

	NOV. 1978	DEC. 1978	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979
GO UP	70%	66%	69%	54%	65%	63%	61%	66%	60%	61%	70%	70%	62%
STAY THE SAME	19	21	20	27	23	25	27	22	25	26	20	20	20
GO DOWN	6	6	7	13	7	8	7	8	12	8	7	7	15
DK, NA	5	7	4	6	5	4	5	4	3	5	3	3	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "NO ONE CAN SAY FOR SURE, BUT WHAT DO YOU THINK WILL HAPPEN TO INTEREST RATES FOR BORROWING DURING THE NEXT 12 MONTHS?"

CHART 18 - RECENT CHANGES
EXPECTED CHANGE IN UNEMPLOYMENT

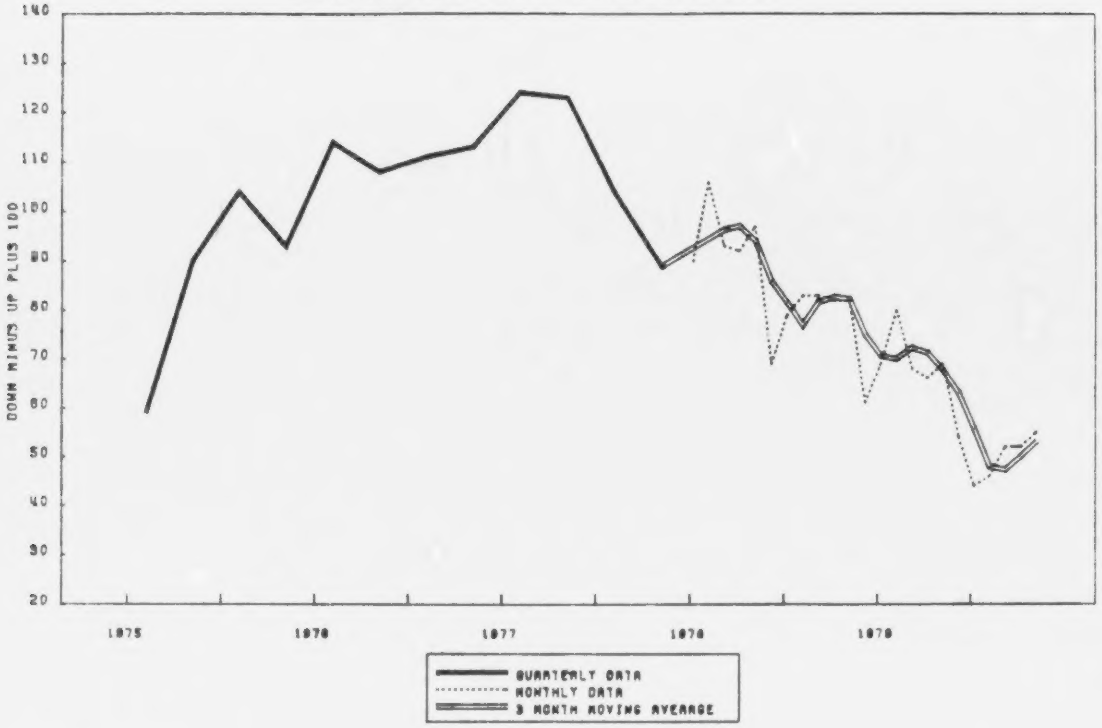

CHART 18 - HISTORICAL SERIES
EXPECTED CHANGE IN UNEMPLOYMENT

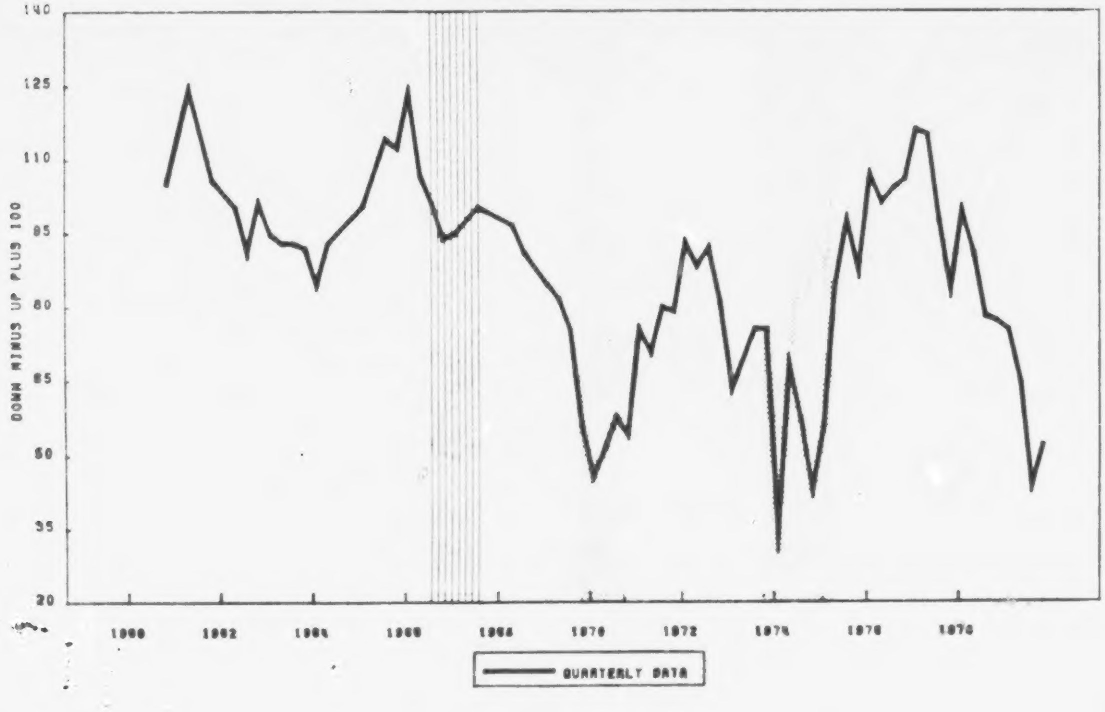

TABLE 18

EXPECTED CHANGE IN UNEMPLOYMENT

	NOV. 1978	DEC. 1978	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979
LESS	16%	7%	10%	14%	9%	11%	9%	6%	6%	7%	7%	7%	9%
SAME	45	42	45	50	46	41	46	39	31	30	36	36	35
MORE	34	46	41	34	41	45	40	52	62	61	55	55	54
DK, NA	5	5	4	2	4	3	5	3	1	2	2	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: " HOW ABOUT PEOPLE OUT OF WORK DURING THE COMING 12 MONTHS -- DO YOU THINK THAT THERE WILL BE MORE UNEMPLOYMENT THAN NOW, ABOUT THE SAME, OR LESS?"

CHART 19 - RECENT CHANGES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

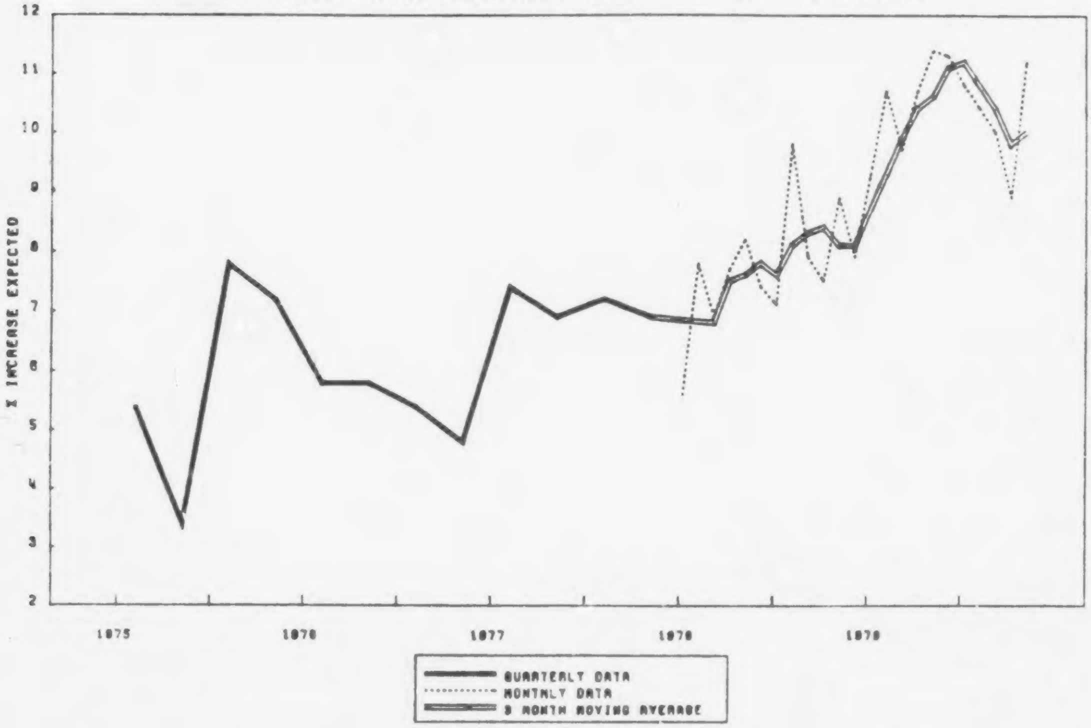

CHART 19 - HISTORICAL SERIES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

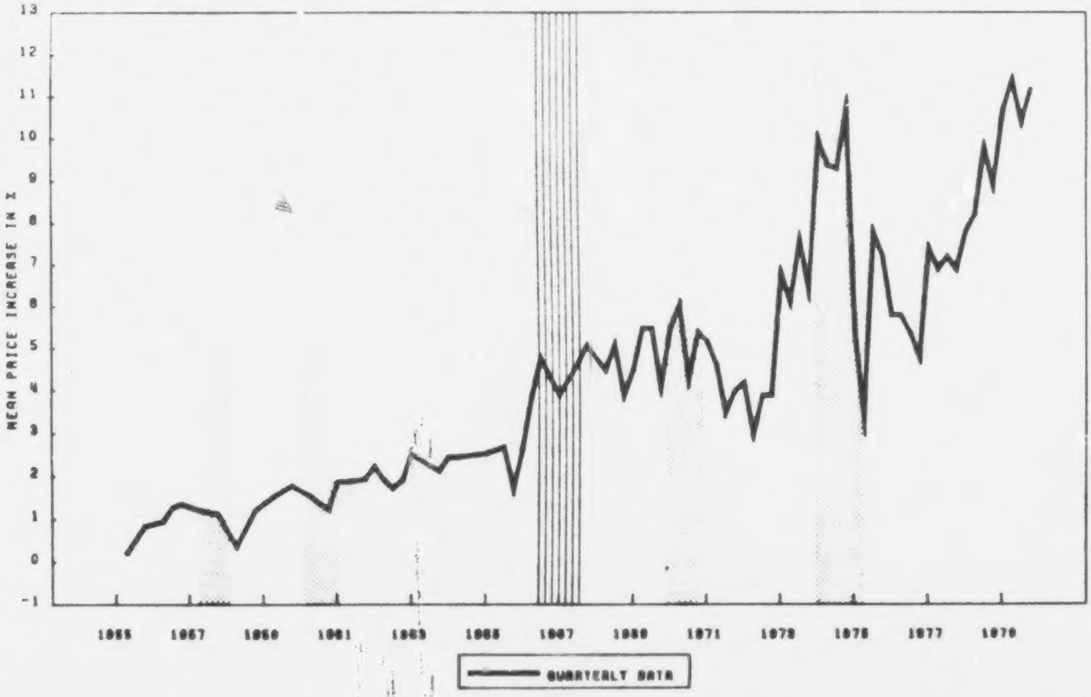

TABLE 19

EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

	NOV. 1978	DEC. 1978	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979
SAME OR DOWN	12%	7%	8%	11%	4%	6%	8%	10%	12%	13%	12%	13%	12%
1 - 2% UP	3	3	4	2	5	4	3	3	2	2	5	4	2
3 - 4% UP	7	8	5	7	10	6	6	6	5	6	5	6	5
5% UP	11	12	10	9	8	11	10	8	10	9	8	10	7
6 - 9% UP	18	19	25	18	18	14	15	14	12	12	14	14	13
10% OR MORE	30	25	29	39	36	43	45	47	45	47	41	36	48
DK HOW MUCH UP	17	22	18	12	18	15	12	10	11	10	13	16	12
DK, NA	2	4	1	2	1	1	1	2	3	1	2	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	8.9	7.9	9.3	10.7	9.7	10.7	11.4	11.3	10.8	10.4	10.0	8.9	11.2

THE QUESTIONS WERE: "DURING THE NEXT 12 MONTHS, DO YOU THINK THAT PRICES IN GENERAL WILL GO UP, OR GO DOWN, OR STAY WHERE THEY ARE NOW?" (IF WILL GO UP) "BY ABOUT WHAT PERCENT DO YOU EXPECT PRICES TO GO UP, ON THE AVERAGE, DURING THE NEXT TWELVE MONTHS?"

TABLE 20

UNEMPLOYMENT OR INFLATION MORE SERIOUS

	NOV. 1978	DEC. 1978	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979
UNEMPLOYMENT	23%	23%	24%	24%	27%	21%	18%	23%	26%	27%	26%	25%	24%
EQUALLY SERIOUS	8	9	6	7	7	5	9	8	10	9	7	8	8
INFLATION	65	65	66	67	63	71	68	67	62	63	65	65	65
DK, NA	4	3	4	2	3	3	5	2	2	1	2	2	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "WHICH OF THE TWO PROBLEMS -- UNEMPLOYMENT OR INFLATION -- DO YOU THINK WILL CAUSE THE MORE SERIOUS ECONOMIC HARDSHIP FOR PEOPLE DURING THE NEXT YEAR OR SO?"

CHART 21 - RECENT CHANGES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

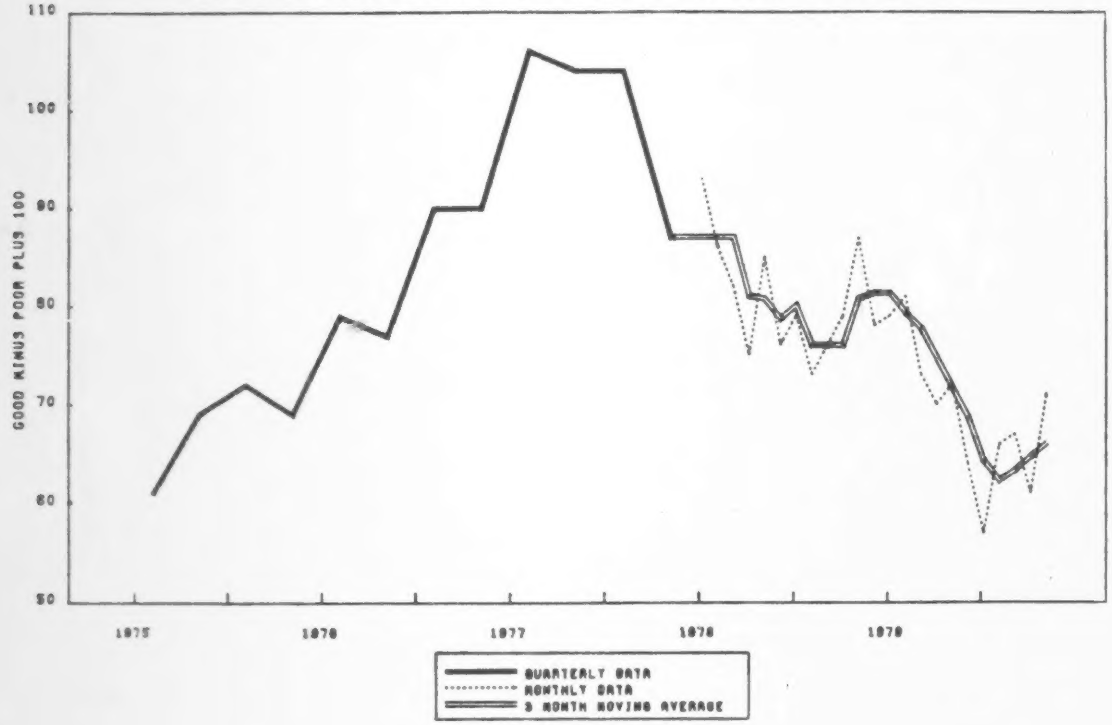

CHART 21 - HISTORICAL SERIES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

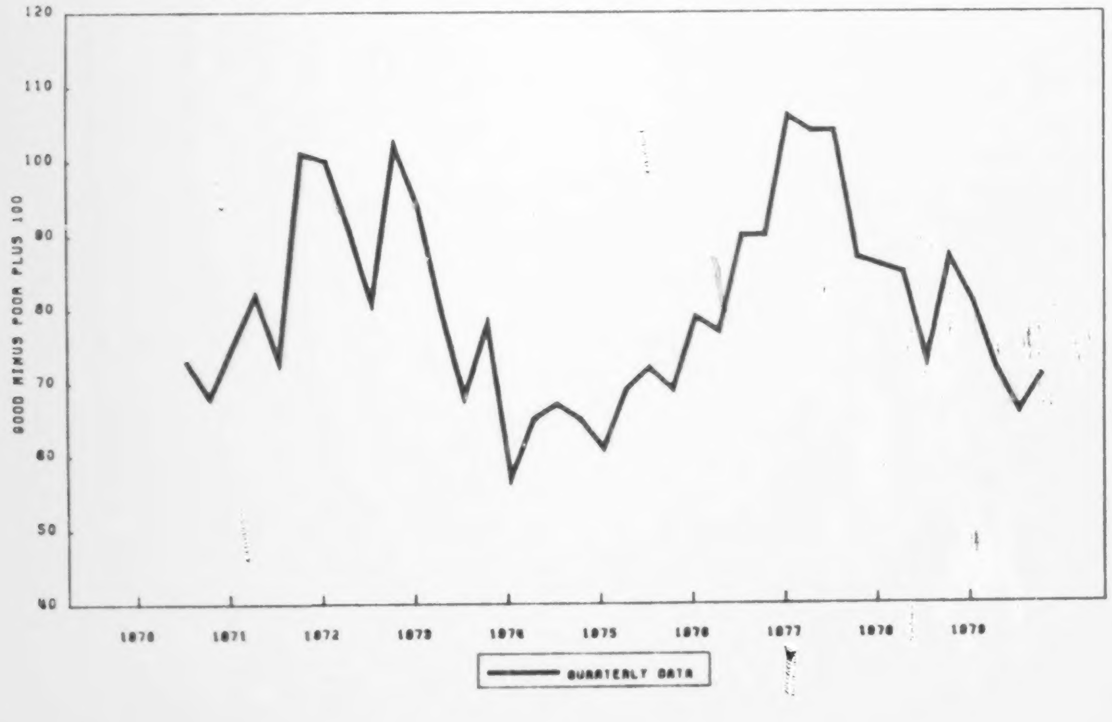

TABLE 21

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

	NOV. 1978	DEC. 1978	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979
A GOOD JOB	13%	10%	9%	12%	9%	9%	10%	7%	5%	8%	7%	6%	10%
ONLY FAIR	55	52	55	54	50	48	48	47	43	48	51	46	47
A POOR JOB	26	32	30	31	36	39	38	43	48	42	40	45	39
DK, NA	6	6	6	3	5	4	4	3	4	2	2	3	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "AS TO THE ECONOMIC POLICY OF THE GOVERNMENT — I MEAN STEPS TAKEN TO FIGHT INFLATION OR UNEMPLOYMENT — WOULD YOU SAY THE GOVERNMENT IS DOING A GOOD JOB, ONLY FAIR, OR A POOR JOB?"

CHART 23 - RECENT CHANGES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

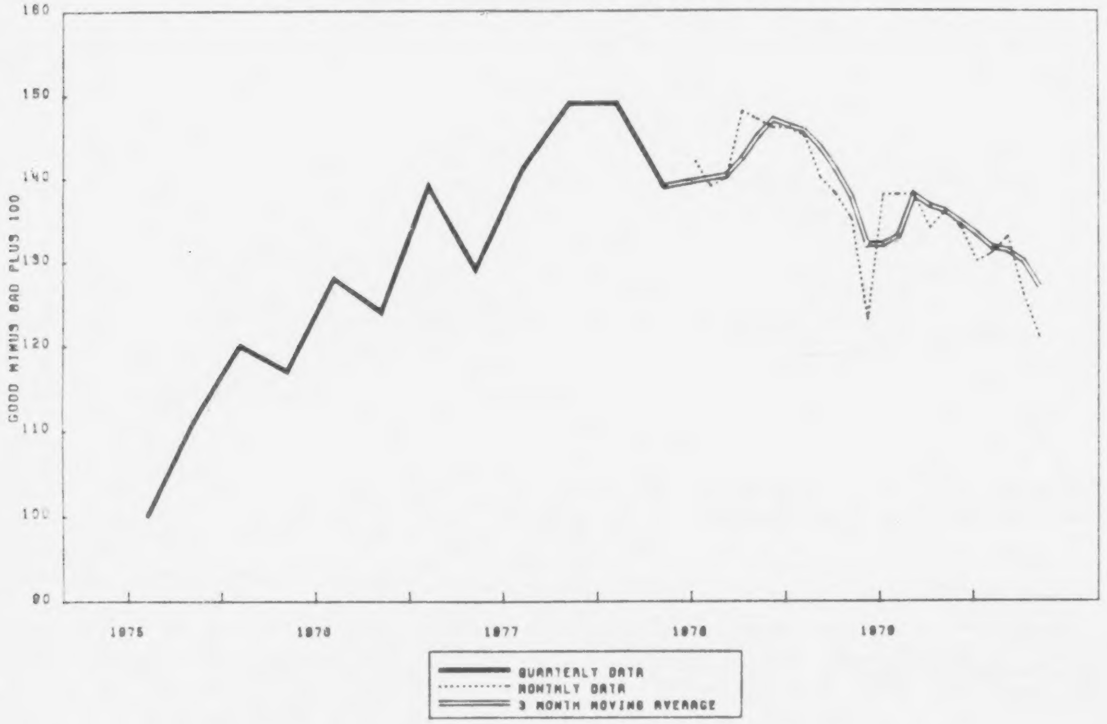

CHART 23 - HISTORICAL SERIES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

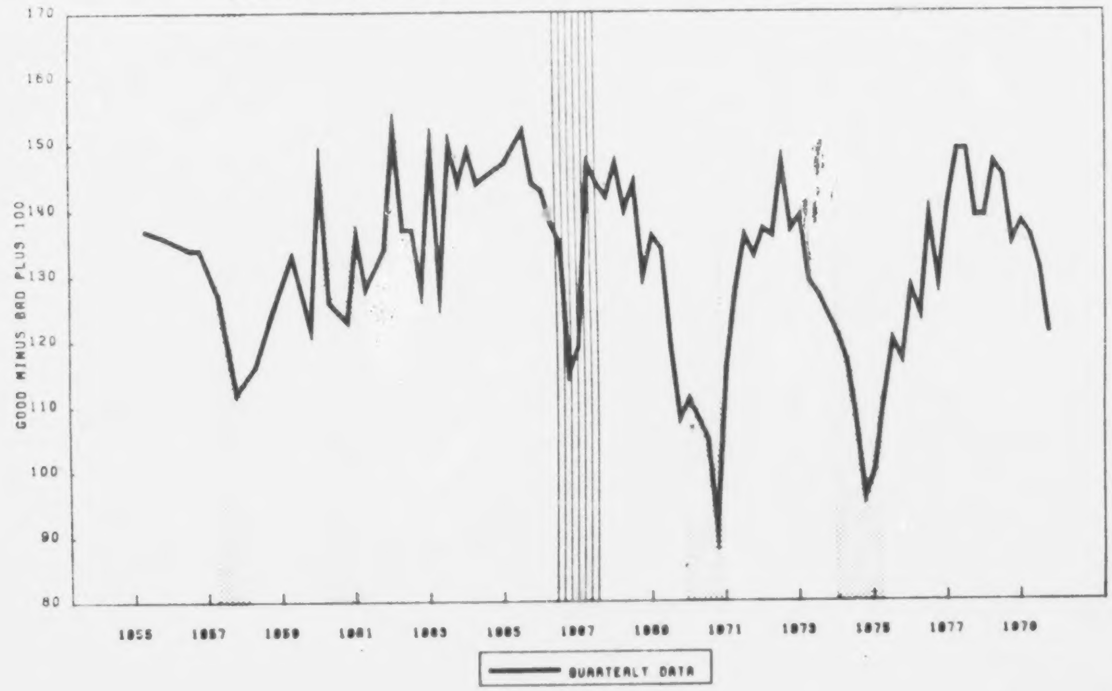

TABLE 23

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

	NOV. 1978	DEC. 1978	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979
GOOD TIME TO BUY	56%	53%	63%	61%	63%	61%	62%	62%	60%	58%	62%	58%	54%
UNCERTAIN, DEPENDS	23	17	12	16	12	12	12	10	10	15	9	10	13
BAD TIME TO BUY	21	30	25	23	25	27	26	28	30	27	29	32	33
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "ABOUT THE BIG THINGS PEOPLE BUY FOR THEIR HOUSE — SUCH AS FURNITURE, A REFRIGERATOR, STOVE, AND THINGS LIKE THAT. GENERALLY SPEAKING, DO YOU THINK NOW IS A GOOD TIME OR A BAD TIME TO BUY MAJOR HOUSEHOLD ITEMS?"

TABLE 24

SELECTED REASONS FOR OPINIONS ABOUT CURRENT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

	NOV. 1978	DEC. 1978	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979
GOOD TIME TO BUY:													
PRICES ARE LOW; GOOD BUYS AVAILABLE	13%	8%	12%	21%	11%	6%	17%	10%	9%	19%	13%	8%	18%
PRICES GOING HIGHER; WON'T COME DOWN	34	39	48	35	50	53	35	46	46	33	42	48	27
BAD TIME TO BUY:													
PRICES ARE HIGH; MAY FALL LATER	18	24	19	18	14	15	18	20	19	18	18	18	18
CREDIT; HIGH INTEREST RATES	2	4	5	2	4	4	3	6	7	4	8	8	3

* = LESS THAN HALF OF ONE PERCENT.

RESPONSES TO THE QUERY "WHY DO YOU SAY SO?" FOLLOWING THE QUESTION NOTED IN THE PREVIOUS TABLE.

CHART 25 - RECENT CHANGES
BUYING CONDITIONS FOR CARS

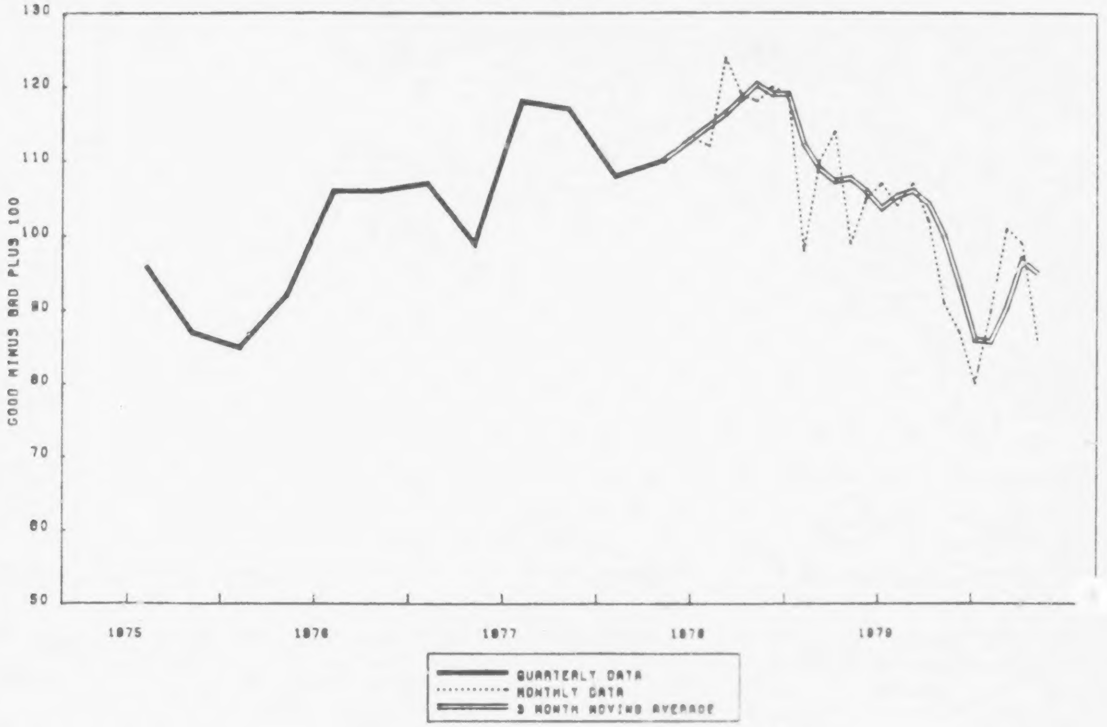

CHART 25 - HISTORICAL SERIES
BUYING CONDITIONS FOR CARS

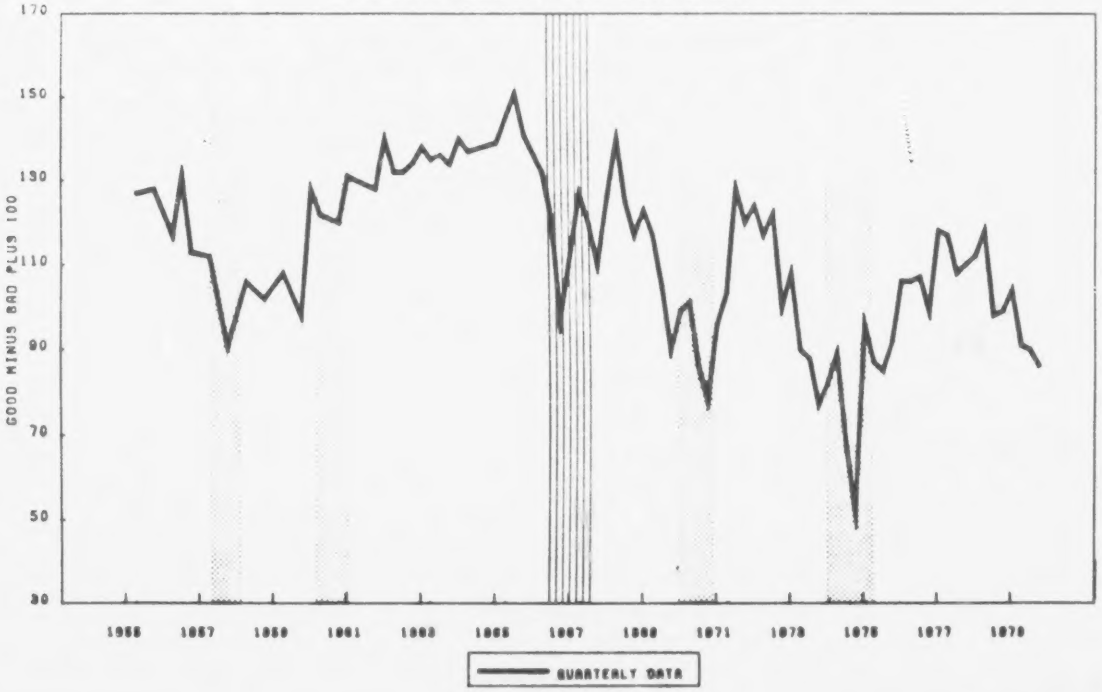

TABLE 25

BUYING CONDITIONS FOR CARS

	NOV. 1978	DEC. 1978	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979
GOOD TIME TO BUY	39%	42%	46%	43%	47%	45%	39%	37%	32%	38%	44%	45%	38%
UNCERTAIN, DEPENDS	21	21	15	18	13	12	13	13	16	14	12	9	10
BAD TIME TO BUY	40	37	39	39	40	43	48	50	52	48	44	46	52
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "SPEAKING NOW OF THE AUTOMOBILE MARKET — DO YOU THINK THE NEXT 12 MONTHS OR SO WILL BE A GOOD OR A BAD TIME TO BUY A CAR?"

TABLE 26

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

	NOV. 1978	DEC. 1978	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979
GOOD TIME TO BUY:													
PRICES ARE LOW; GOOD BUYS AVAILABLE	7%	4%	6%	7%	5%	5%	6%	7%	10%	16%	18%	13%	13%
PRICES GOING HIGHER; WON'T COME DOWN	28	31	33	29	35	30	22	21	17	13	21	23	16
NEW FUEL EFFICIENT MODELS	2	2	1	4	7	12	15	12	11	11	9	8	8
BAD TIME TO BUY:													
PRICES ARE HIGH; MAY FALL LATER	31	28	29	30	31	21	26	25	27	27	25	27	30
CREDIT; HIGH INTEREST RATES	6	6	5	6	6	5	5	3	4	7	6	8	18
ENERGY CRISIS	2	3	5	3	14	19	22	26	25	13	14	13	10

* = LESS THAN HALF OF ONE PERCENT.

RESPONSES TO THE QUERY "WHY DO YOU SAY SO?" FOLLOWING THE QUESTION NOTED IN THE PREVIOUS TABLE.

CHART 27 - RECENT CHANGES
BUYING CONDITIONS FOR HOUSES

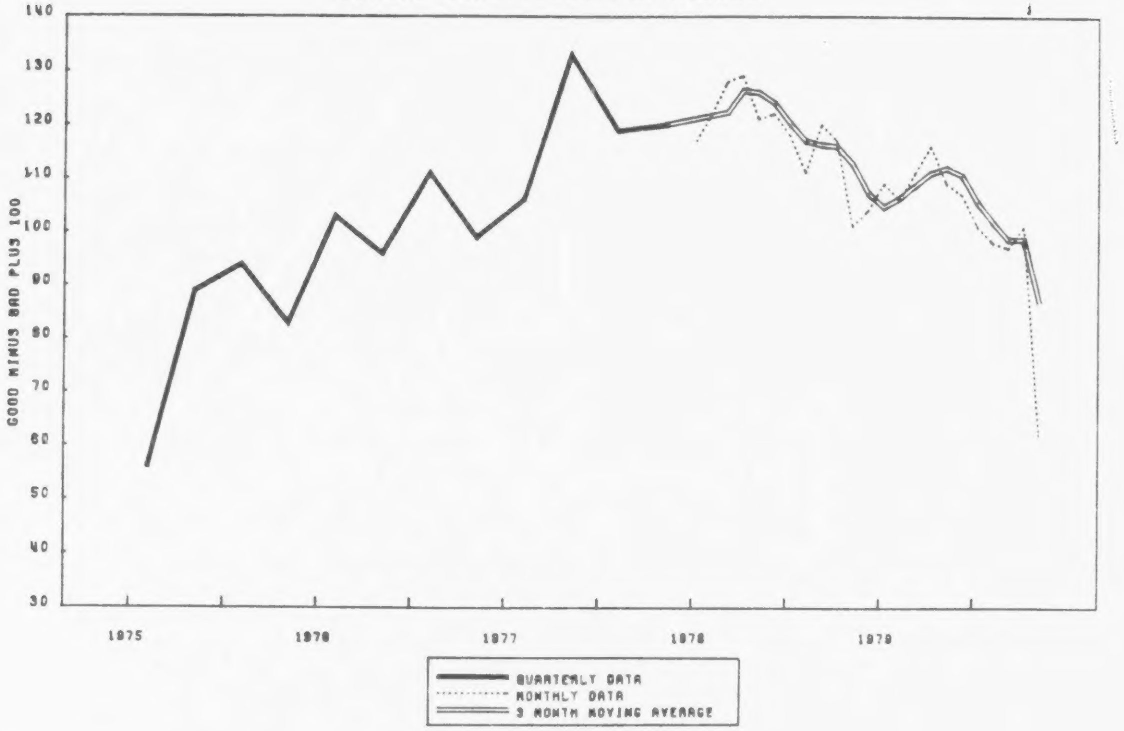

CHART 27 - HISTORICAL SERIES
BUYING CONDITIONS FOR HOUSES

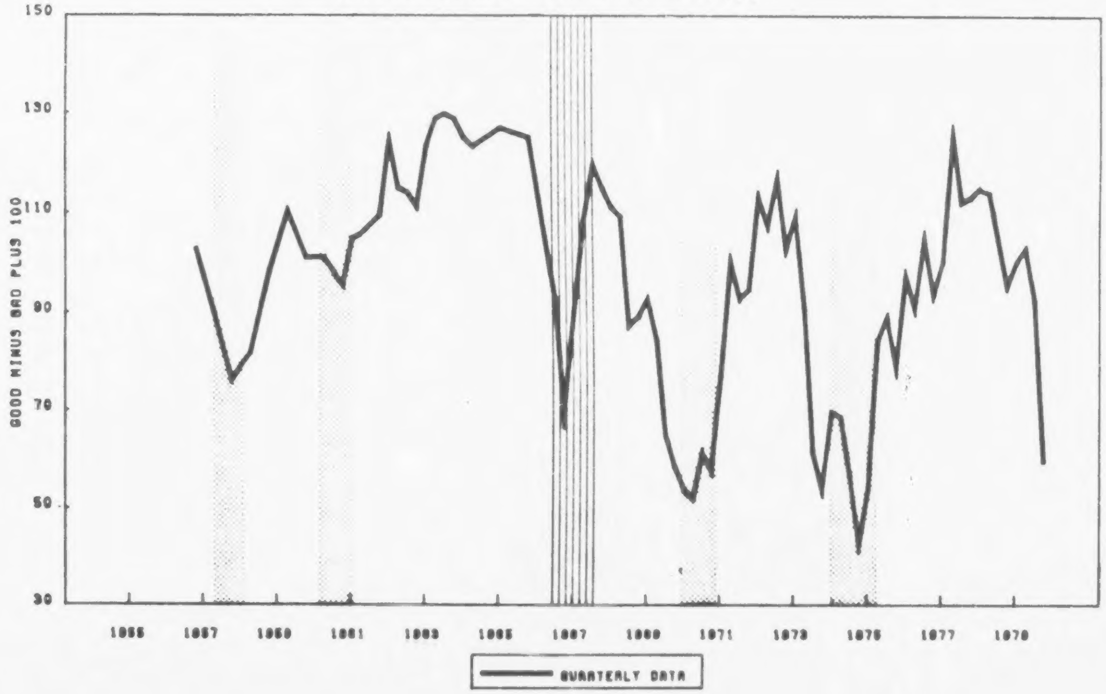

TABLE 27

BUYING CONDITIONS FOR HOUSES

	NOV. 1978	DEC. 1978	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979
GOOD TIME TO BUY	45%	45%	50%	49%	50%	54%	51%	50%	48%	46%	46%	48%	28%
UNCERTAIN, DEPENDS	11	12	9	8	11	8	7	7	5	6	5	5	6
BAD TIME TO BUY	44	42	41	43	39	38	42	43	47	48	49	47	66
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "GENERALLY SPEAKING, DO YOU THINK NOW IS A GOOD TIME OR A BAD TIME TO BUY A HOUSE?"

SURVEYS OF CONSUMER ATTITUDES

SURVEY RESEARCH CENTER
UNIVERSITY OF MICHIGAN

Institute for Social Research

TABLES AND CHARTS

DECEMBER 1979

THE DECEMBER 1979 SURVEY IS THE 113TH IN A SERIES OF SURVEYS OF CONSUMER ATTITUDES CONDUCTED DURING THE LAST 29 YEARS. THE PURPOSE OF THESE SURVEYS IS TO MEASURE CHANGES IN CONSUMER ATTITUDES AND EXPECTATIONS, AND TO INCREASE UNDERSTANDING OF WHY THESE CHANGES OCCUR AND HOW THEY AFFECT CONSUMER DECISIONS TO MAKE DISCRETIONARY PURCHASES OR TO SAVE. THIS TYPE OF UNDERSTANDING IS AN ESSENTIAL INGREDIENT FOR FORECASTING CHANGES IN AGGREGATE CONSUMER BEHAVIOR.

TWO CHARTS ARE PRESENTED FOR EVERY QUESTION. ONE GIVES QUARTERLY RESULTS FROM 1955 TO THE LAST QUARTERLY OBSERVATION. A SECOND CHART SHOWS MONTHLY RESULTS SINCE JANUARY OF 1978, WHEN THIS SERIES WAS INSTITUTED, ALONG WITH A SIMPLE THREE MONTH MOVING AVERAGE PLOTTED ON THE LAST OF THE THREE MONTHS.

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5	SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION
6	EXPECTED CHANGE IN FINANCIAL SITUATION
7	TREND IN PERSONAL FINANCIAL SITUATION
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26	SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS
27	BUYING CONDITIONS FOR HOUSES

CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

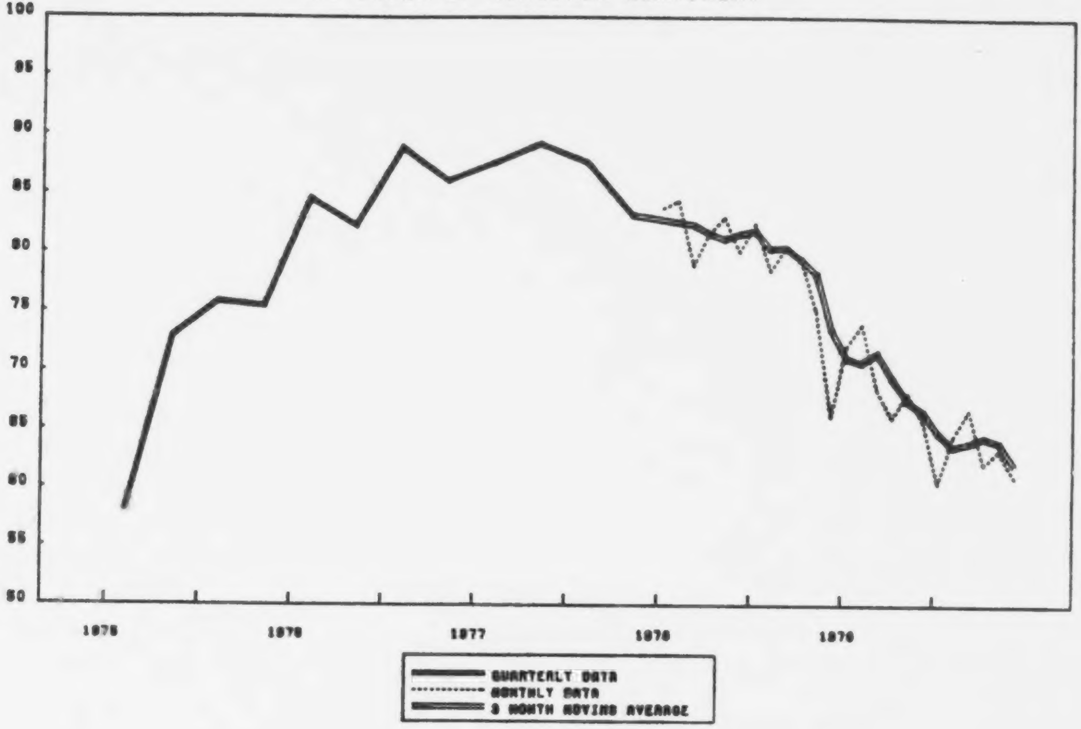

CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT

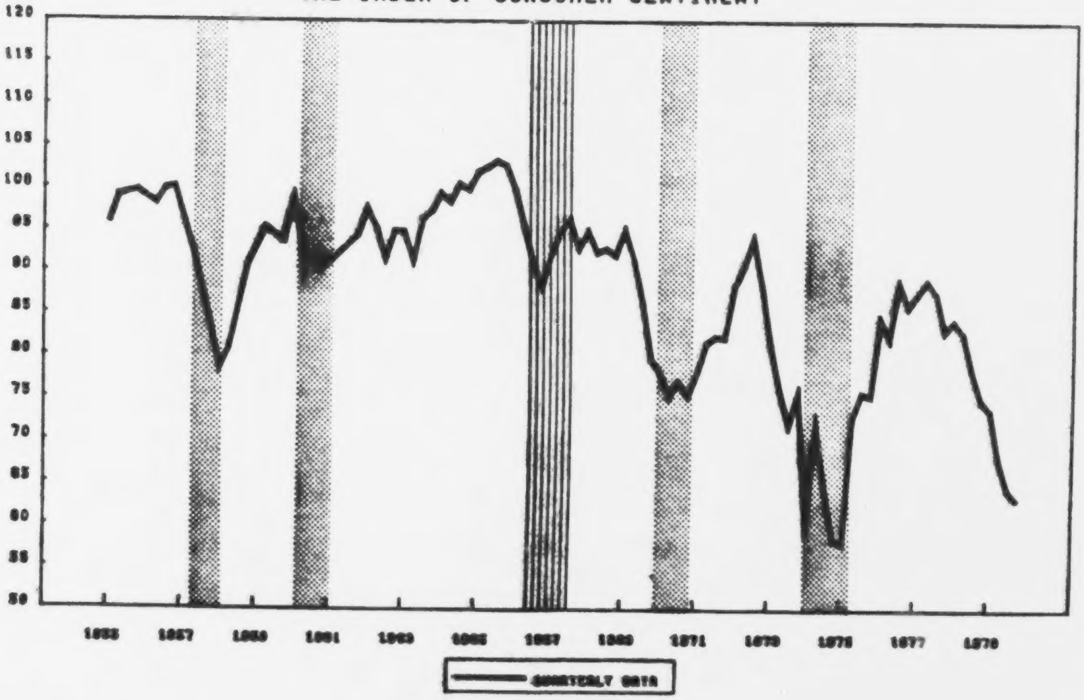

TABLE 1

THE INDEX OF CONSUMER SENTIMENT

DATE OF STUDY		ALL FAMILIES	INCOME $15,000+
FEBRUARY	1973	81.4	82.7
MAY	1973	76.0	77.9
AUG-SEPT.	1973	72.1	70.7
OCT-NOV.	1973	75.7	71.9
FEBRUARY	1974	60.9	56.3
MAY	1974	72.0	65.4
AUG-SEPT.	1974	64.5	55.0
OCTOBER	1974	58.4	55.4
FEBRUARY	1975	58.0	53.6
MAY	1975	72.9	66.2
AUG-SEPT.	1975	75.8	71.1
OCT-NOV.	1975	75.4	70.6
FEBRUARY	1976	84.5	78.1
MAY	1976	82.2	82.5
AUG-SEPT.	1976	88.8	87.3
NOV-DEC.	1976	86.0	80.9
FEBRUARY	1977	87.5	87.3
MAY	1977	89.1	84.0
AUG-SEPT.	1977	87.6	85.3
NOV-DEC.	1977	83.1	81.1
JANUARY	1978	83.7	80.3
FEBRUARY	1978	84.3	83.2
MARCH	1978	78.8	74.3
APRIL	1978	81.6	80.4
MAY	1978	82.9	74.7
JUNE	1978	80.0	77.8
JULY	1978	82.4	79.6
AUGUST	1978	78.4	72.5
SEPTEMBER	1978	80.4	76.1
OCTOBER	1978	79.3	76.1
NOVEMBER	1978	75.0	67.7
DECEMBER	1978	66.1	61.2
JANUARY	1979	72.1	68.4
FEBRUARY	1979	73.9	70.9
MARCH	1979	68.4	65.2
APRIL	1979	66.0	61.4
MAY	1979	68.1	62.1
JUNE	1979	65.8	60.1
JULY	1979	60.4	55.7
AUGUST	1979	64.5	59.1
SEPTEMBER	1979	66.7	58.5
OCTOBER	1979	62.1	56.5
NOVEMBER	1979	63.3	57.2
DECEMBER	1979	61.0	55.1

TABLE 3
COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT **

DATE		1*	2*	3*	4*	5*	CURRENT (1,5)	EXPECTED (2,3,4)
FEBRUARY	1975	81	103	45	47	100	71.3	50.1
MAY	1975	87	118	91	65	111	77.7	69.6
AUG-SEPT.	1975	93	109	97	75	120	83.4	71.1
OCT-NOV.	1975	98	119	94	64	117	84.1	70.1
FEBRUARY	1976	103	124	118	79	128	90.2	81.0
MAY	1976	100	118	120	76	124	87.5	78.9
AUG-SEPT.	1976	105	119	127	92	139	95.1	84.9
NOV-DEC.	1976	96	115	117	105	129	87.9	84.5
FEBRUARY	1977	99	121	115	97	141	93.6	84.5
MAY	1977	108	115	118	92	149	100.0	81.8
AUG-SEPT.	1977	107	116	115	86	149	99.7	79.8
NOV-DEC.	1977	107	107	104	84	139	95.9	74.5
JANUARY	1978	105	114	106	80	142	96.2	75.7
FEBRUARY	1978	106	109	108	89	139	95.4	77.1
MARCH	1978	100	107	91	77	140	93.2	69.5
APRIL	1978	104	112	98	71	148	97.9	71.1
MAY	1978	105	111	99	79	147	98.2	73.0
JUNE	1978	107	102	97	71	146	98.4	68.1
JULY	1978	108	111	105	69	146	98.7	71.9
AUGUST	1978	102	112	82	70	145	96.1	67.0
SEPTEMBER	1978	109	108	96	71	140	96.9	69.7
OCTOBER	1978	96	104	103	77	138	91.2	71.6
NOVEMBER	1978	106	105	74	67	135	94.1	62.8
DECEMBER	1978	95	97	61	53	123	85.2	53.7
JANUARY	1979	100	99	72	58	138	93.3	58.4
FEBRUARY	1979	99	98	75	71	138	92.2	62.2
MARCH	1979	96	99	57	53	138	91.2	53.7
APRIL	1979	85	90	63	56	134	85.9	53.3
MAY	1979	91	95	58	62	136	88.7	54.9
JUNE	1979	92	91	54	55	134	88.2	51.4
JULY	1979	89	92	39	40	130	85.7	44.2
AUGUST	1979	95	98	46	48	131	88.2	49.3
SEPTEMBER	1979	90	98	60	51	133	87.1	53.6
OCTOBER	1979	82	96	48	49	126	81.6	49.5
NOVEMBER	1979	86	97	52	54	120	80.9	52.0
DECEMBER	1979	81	99	52	50	112	75.7	52.0

PERSONAL FINANCIAL ATTITUDES
   1* BETTER OR WORSE OFF THAN A YEAR AGO
   2* EXPECT TO BE BETTER OR WORSE OFF IN A YEAR
EXPECTED BUSINESS CONDITIONS
   3* NEXT 12 MONTHS
   4* NEXT 5 YEARS
MARKET CONDITIONS
   5* BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

**PERCENT SAYING "GOOD TIMES" (OR "BETTER"), MINUS PERCENT SAYING "BAD TIMES" (OR "WORSE"), PLUS 100.

CHART 4 - RECENT CHANGES
CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

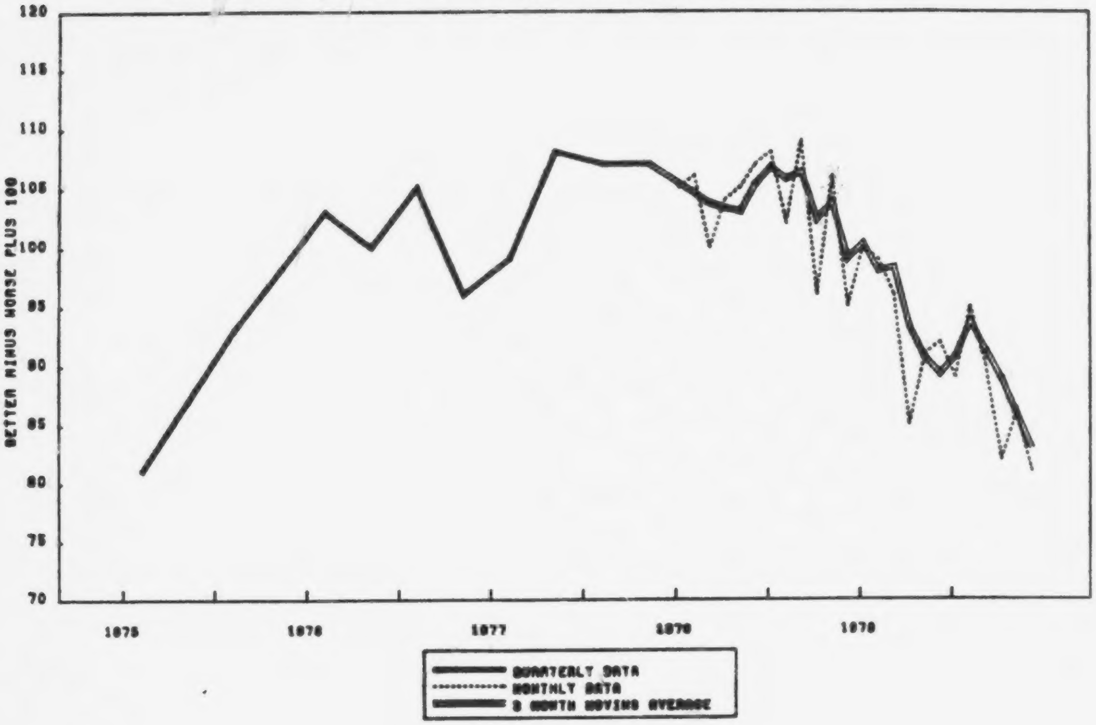

CHART 4 - HISTORICAL SERIES
CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

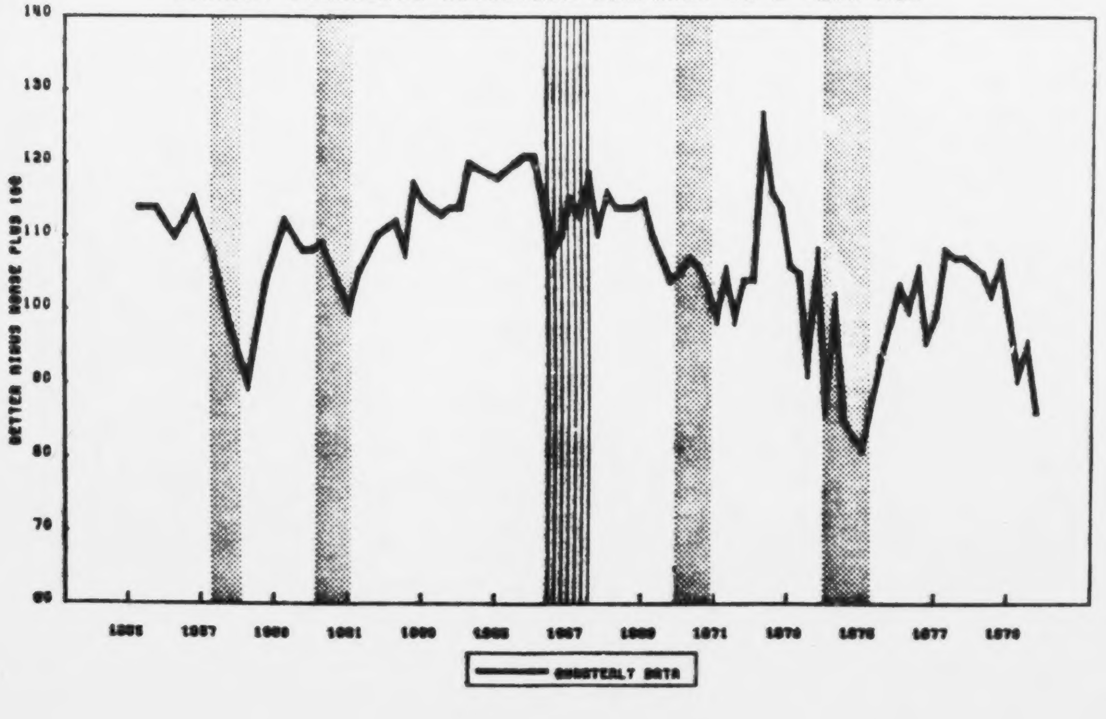

TABLE 4

CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

	DEC. 1978	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979
BETTER OFF	33%	38%	34%	32%	30%	31%	34%	31%	33%	31%	28%	30%	27%
SAME	28	23	30	32	24	29	24	27	28	27	26	25	26
WORSE OFF	38	38	35	36	45	40	42	42	38	41	46	44	46
DK, NA	1	1	1	*	1	*	*	*	1	1	*	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

* = LESS THAN HALF OF ONE PERCENT.

THE QUESTION WAS: "WE ARE INTERESTED IN HOW PEOPLE ARE GETTING ALONG FINANCIALLY THESE DAYS. WOULD YOU SAY THAT YOU (AND YOUR FAMILY LIVING THERE) ARE BETTER OFF OR WORSE OFF FINANCIALLY THAN YOU WERE A YEAR AGO?"

TABLE 5

SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION NOW COMPARED TO A YEAR AGO

	DEC. 1978	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979
BETTER OFF BECAUSE:													
INCOME IS HIGHER	32%	34%	28%	32%	33%	29%	32%	31%	29%	30%	28%	31%	28%
WORSE OFF BECAUSE:													
INCOME IS LOWER	13	13	14	11	13	11	9	12	11	13	13	15	15
HIGHER PRICES	31	33	33	38	46	43	47	44	40	47	48	47	46

RESPONSES TO THE QUERY "WHY DO YOU SAY SO?" FOLLOWING THE QUESTION NOTED IN THE PREVIOUS TABLE.

CHART 6 - RECENT CHANGES
EXPECTED CHANGE IN FINANCIAL SITUATION

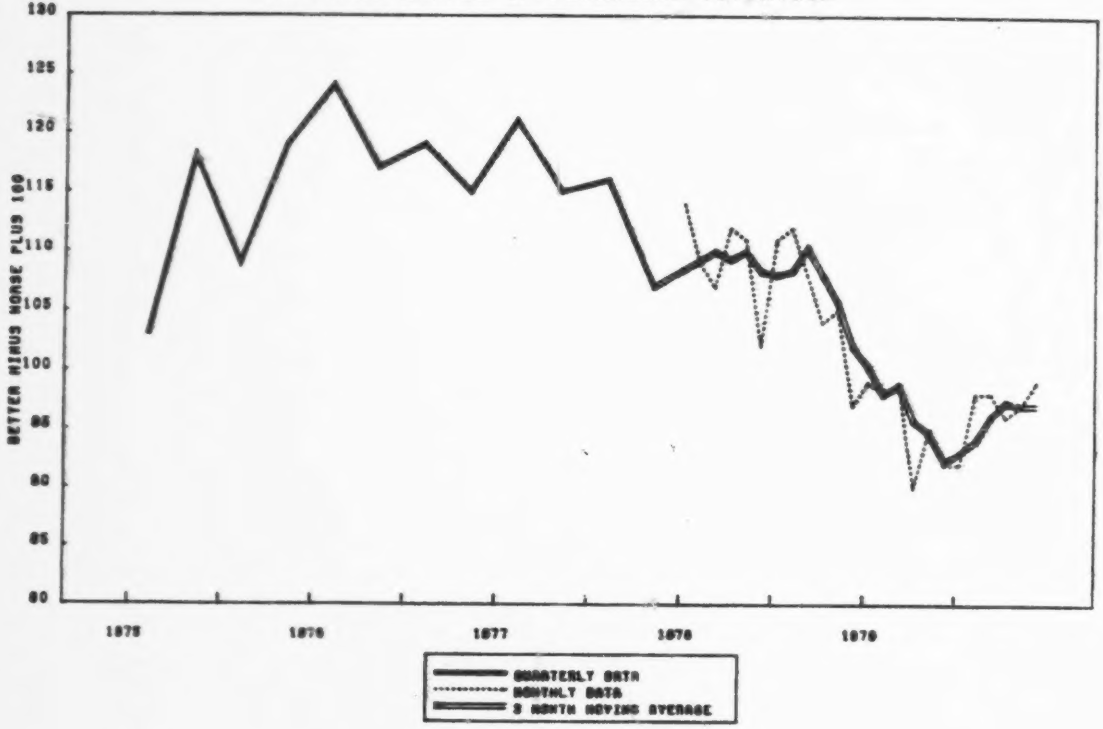

CHART 6 - HISTORICAL SERIES
EXPECTED CHANGE IN FINANCIAL SITUATION

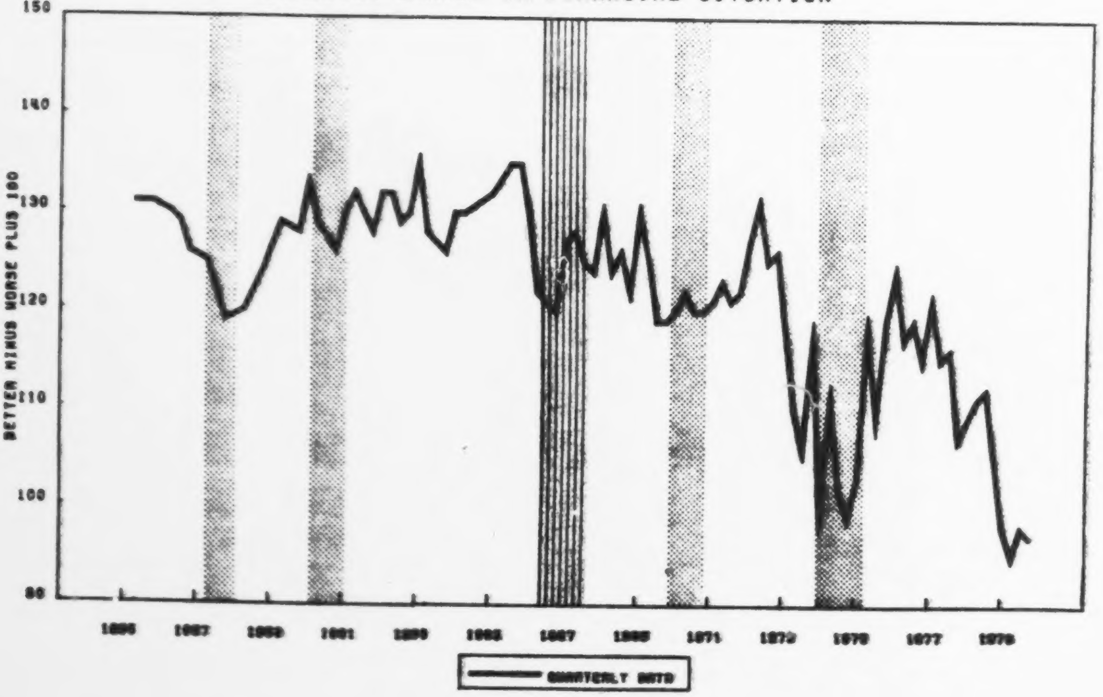

TABLE 6

EXPECTED CHANGE IN FINANCIAL SITUATION

	DEC. 1978	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979
BETTER OFF	21%	22%	24%	24%	21%	21%	21%	20%	23%	24%	24%	21%	25%
SAME	46	51	45	48	45	49	46	49	50	47	45	53	44
WORSE OFF	24	23	26	25	31	26	29	28	25	26	28	24	26
DK/NA	9	4	5	3	3	4	4	3	2	3	3	2	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "NOW LOOKING AHEAD - DO YOU THINK THAT A YEAR FROM NOW YOU (AND YOUR FAMILY LIVING THERE) WILL BE BETTER OFF FINANCIALLY, OR WORSE OFF, OR JUST ABOUT THE SAME AS NOW?"

CHART 7 - RECENT CHANGES
TREND IN PERSONAL FINANCIAL SITUATION

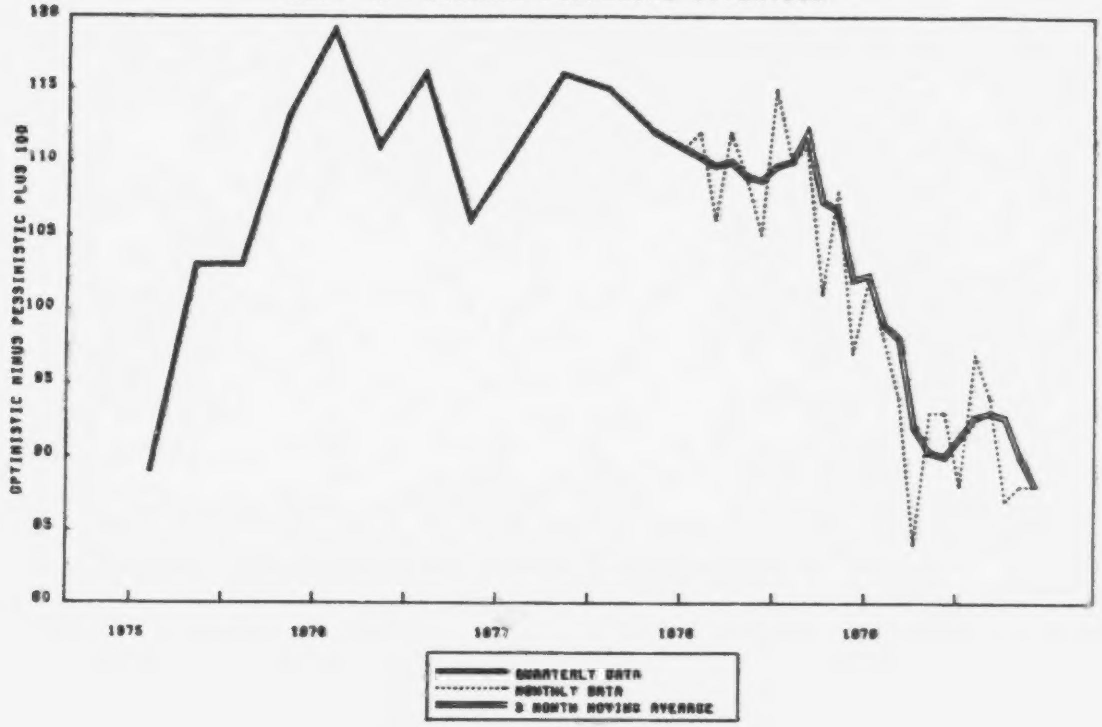

CHART 7 - HISTORICAL SERIES
TREND IN PERSONAL FINANCIAL SITUATION

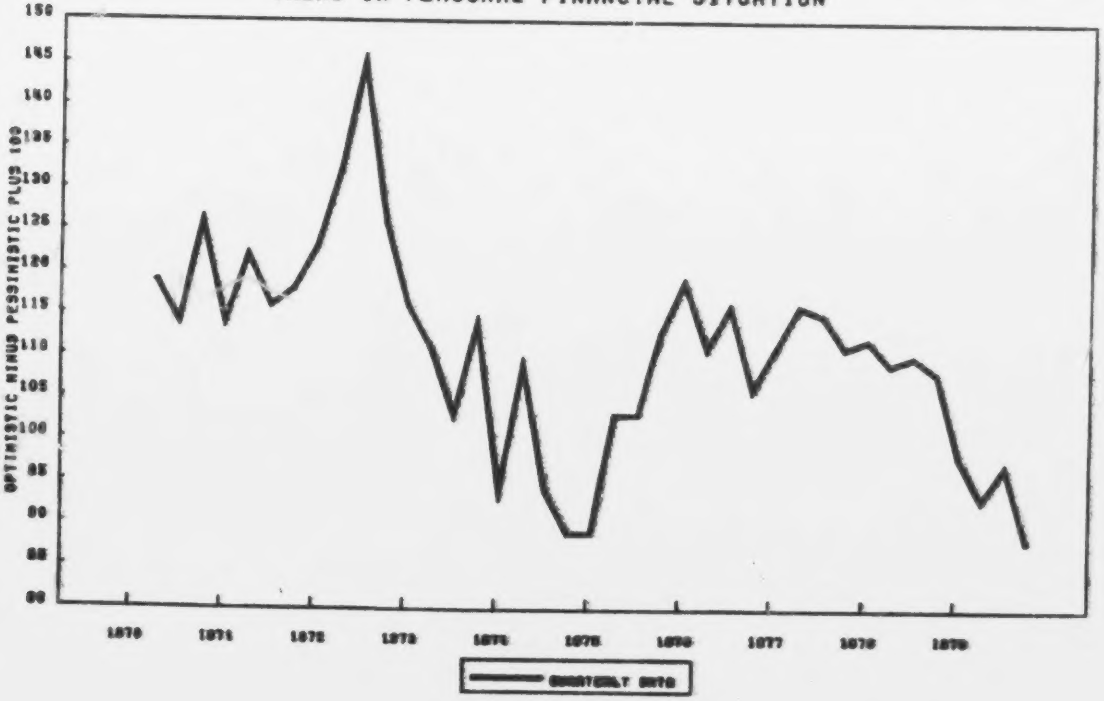

TABLE 7

TREND IN PERSONAL FINANCIAL SITUATION

	DEC. 1978	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979
B/B+	12%	14%	13%	15%	13%	9%	11%	11%	13%	11%	11%	11%	12%
B/S, S/B	20	24	20	17	17	21	22	19	21	20	18	19	17
S/S	15	15	17	18	13	17	13	16	17	16	14	16	14
W/S, S/W	20	20	20	24	26	21	21	24	22	21	23	26	23
W/W	15	16	15	14	20	17	19	18	15	16	19	16	18
W/B, B/W	9	8	10	8	8	10	10	8	9	13	12	10	12
DK, NA	9	3	5	4	3	5	4	4	3	3	3	2	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

KEY: B=BETTER, S=SAME, W=WORSE; DK=DON'T KNOW, NA=NOT ASCERTAINED,
+ = BETTER THAN A YEAR AGO/WILL BE BETTER A YEAR FROM NOW.

TABLE 10

EXPECT INCOME OR PRICES UP MORE NEXT YEAR

	DEC. 1978	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979
INCOME UP MORE	12%	9%	10%	9%	10%	11%	9%	11%	12%	9%	9%	10%	10%
INCOME UP SAME	36	35	35	35	30	36	35	32	34	35	35	38	35
PRICES UP MORE	47	51	49	52	56	48	53	55	50	53	52	49	51
DK, NA	5	5	6	4	4	5	3	2	4	3	4	3	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "HOW ABOUT IN THE NEXT YEAR OR TWO — DO YOU EXPECT YOUR (FAMILY) INCOME WILL GO UP MORE THAN PRICES WILL GO UP, ABOUT THE SAME, OR LESS THAN PRICES WILL GO UP?"

CHART 11 - RECENT CHANGES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

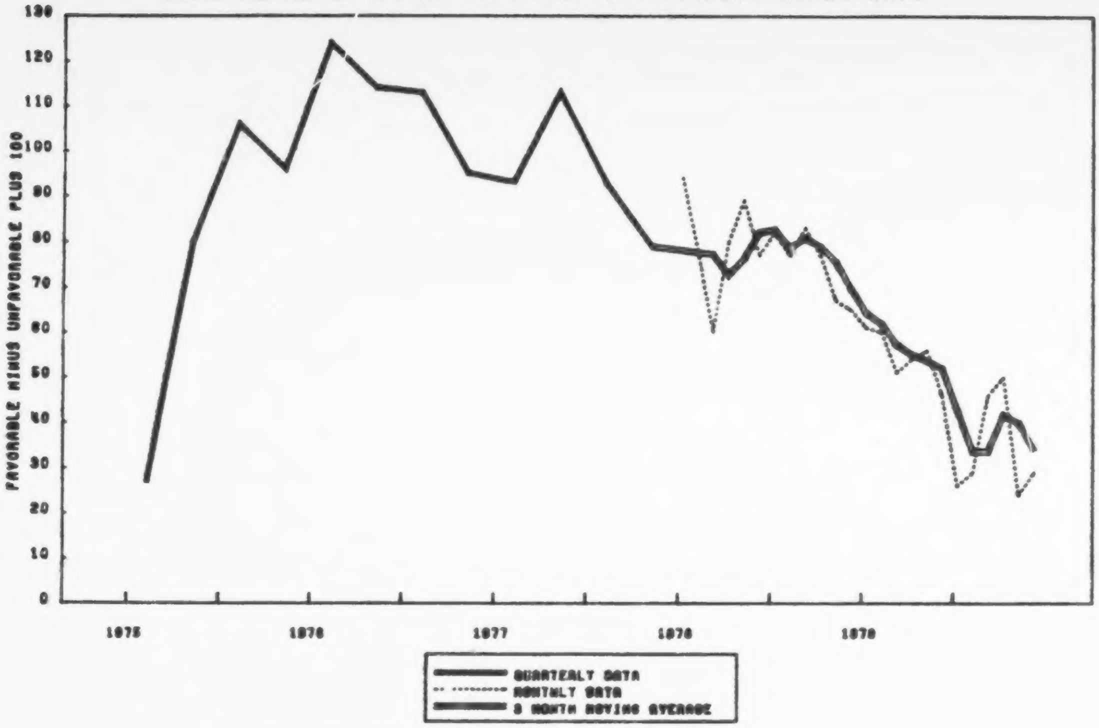

CHART 11 - HISTORICAL SERIES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

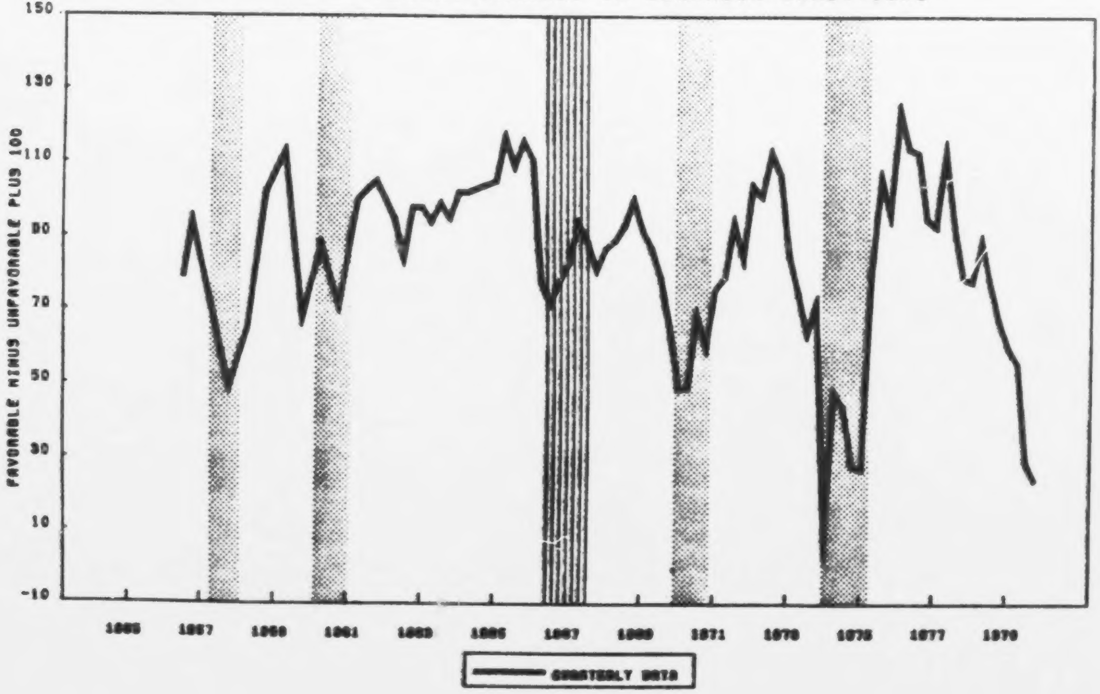

TABLE 11

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

	DEC. 1978	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979
FAVORABLE NEWS	17%	15%	21%	13%	18%	18%	13%	12%	15%	11%	13%	11%	10%
UNFAVORABLE NEWS	52	54	61	62	64	62	67	86	86	65	63	87	81
NO MENTIONS	47	47	45	44	40	46	43	33	34	47	47	38	41

ADDS TO MORE THAN 100% DUE TO RESPONDENTS MENTIONING TWO CHANGES.

THE QUESTIONS WERE: "DURING THE LAST FEW MONTHS, HAVE YOU HEARD OF ANY FAVORABLE OR UNFAVORABLE CHANGES IN BUSINESS CONDITIONS? WHAT DID YOU HEAR?"

CHART 12 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

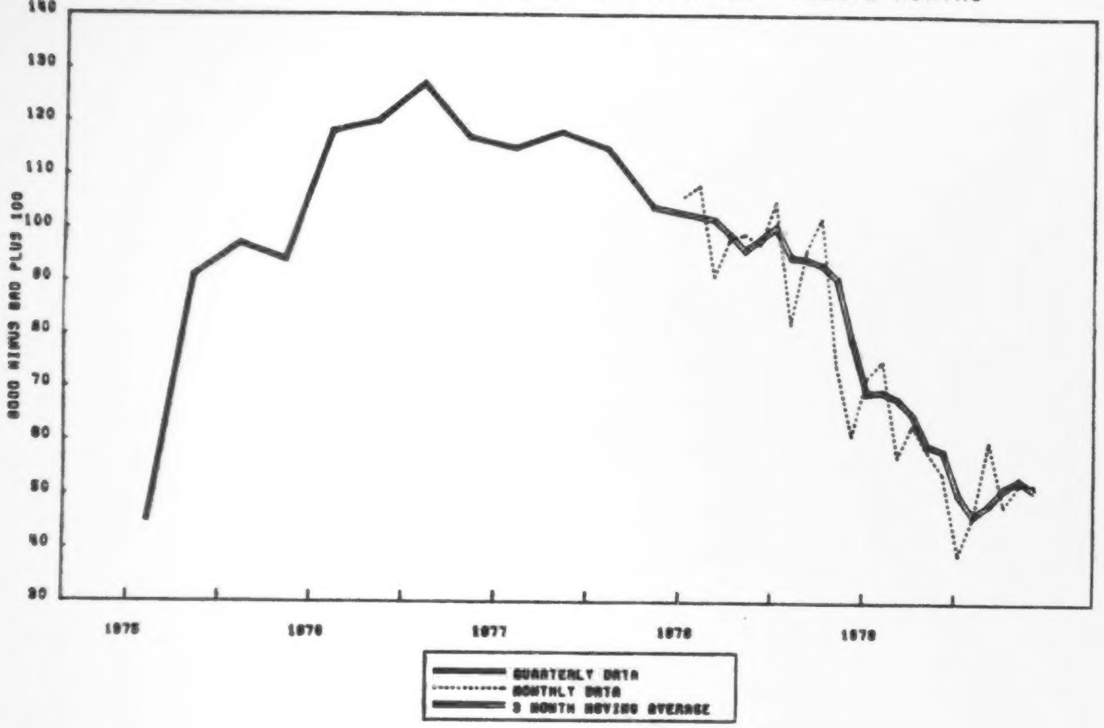

CHART 12 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

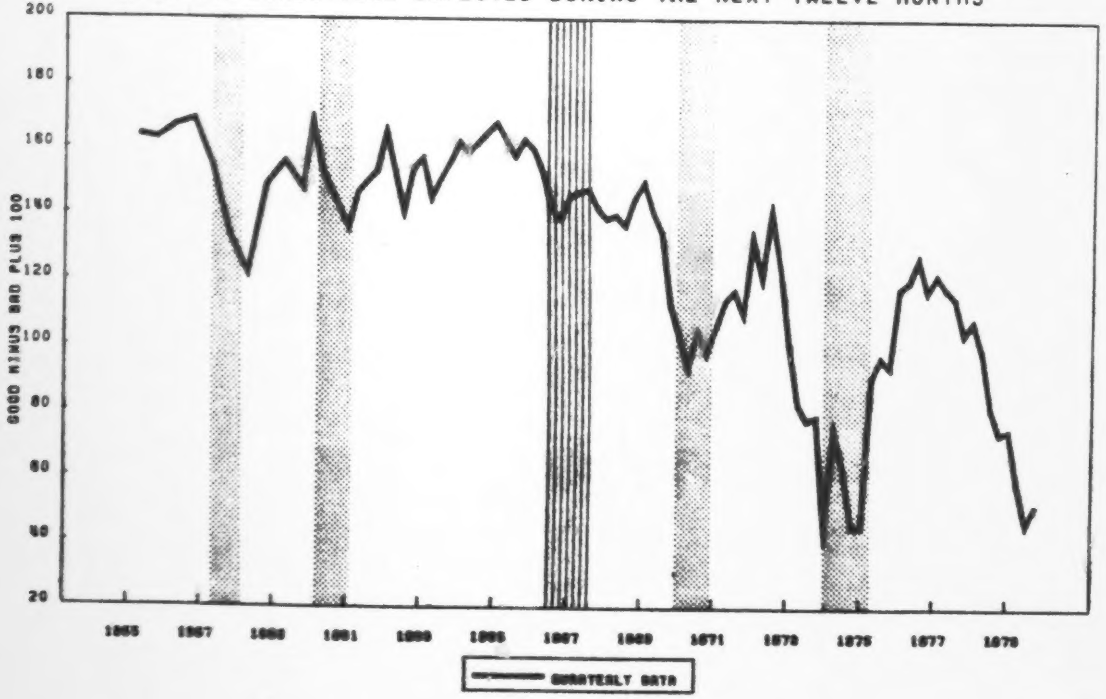

TABLE 12

BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

	DEC. 1978	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979
GOOD TIMES	19%	27%	29%	20%	24%	21%	20%	13%	17%	23%	18%	20%	20%
GOOD IN SOME WAYS, BAD IN OTHERS	10	6	6	3	5	5	2	1	3	3	1	3	2
BAD TIMES	58	55	54	63	61	63	66	74	71	63	70	68	68
UNCERTAIN	9	6	8	8	5	4	5	4	5	5	5	4	4
NOT ASCERTAINED	4	6	3	6	5	7	7	8	4	6	6	5	6
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "NOW TURNING TO BUSINESS CONDITIONS IN THE COUNTRY AS A WHOLE — DO YOU THINK THAT DURING THE NEXT 12 MONTHS WE'LL HAVE GOOD TIMES FINANCIALLY OR BAD TIMES, OR WHAT?

CHART 13 - RECENT CHANGES
CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

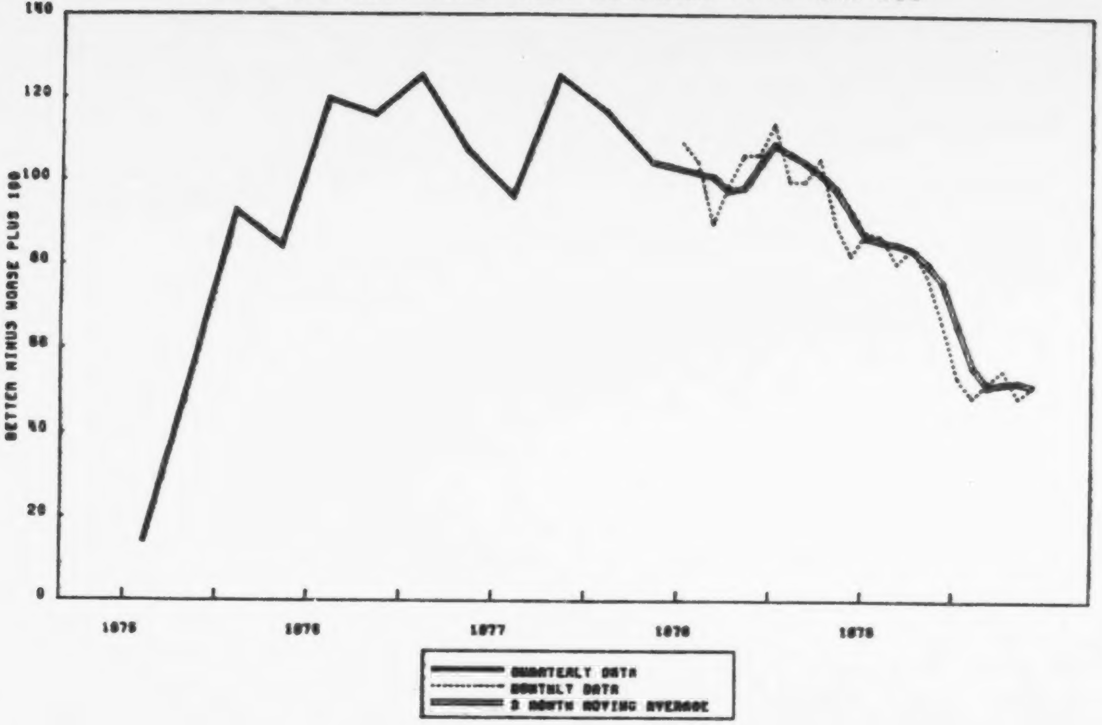

CHART 13 - HISTORICAL SERIES
CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

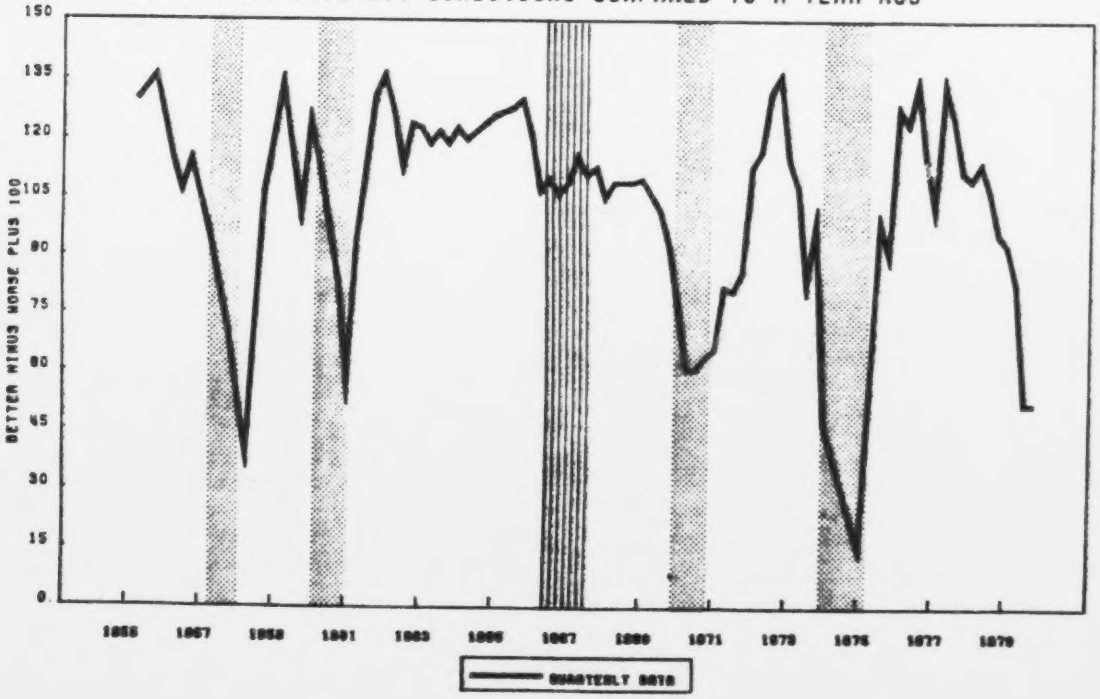

TABLE 13

CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

	DEC. 1978	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979
BETTER NOW	31%	38%	37%	33%	36%	33%	27%	22%	20%	22%	22%	19%	21%
SAME	21	14	15	16	13	15	13	10	10	9	12	12	12
WORSE NOW	43	44	44	47	46	50	56	65	68	66	63	67	66
DK, NA	5	4	4	4	5	2	4	3	2	3	3	2	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "WOULD YOU SAY THAT AT THE PRESENT TIME BUSINESS CONDITIONS ARE BETTER OR WORSE THAN THEY WERE A YEAR AGO?"

CHART 14 - RECENT CHANGES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

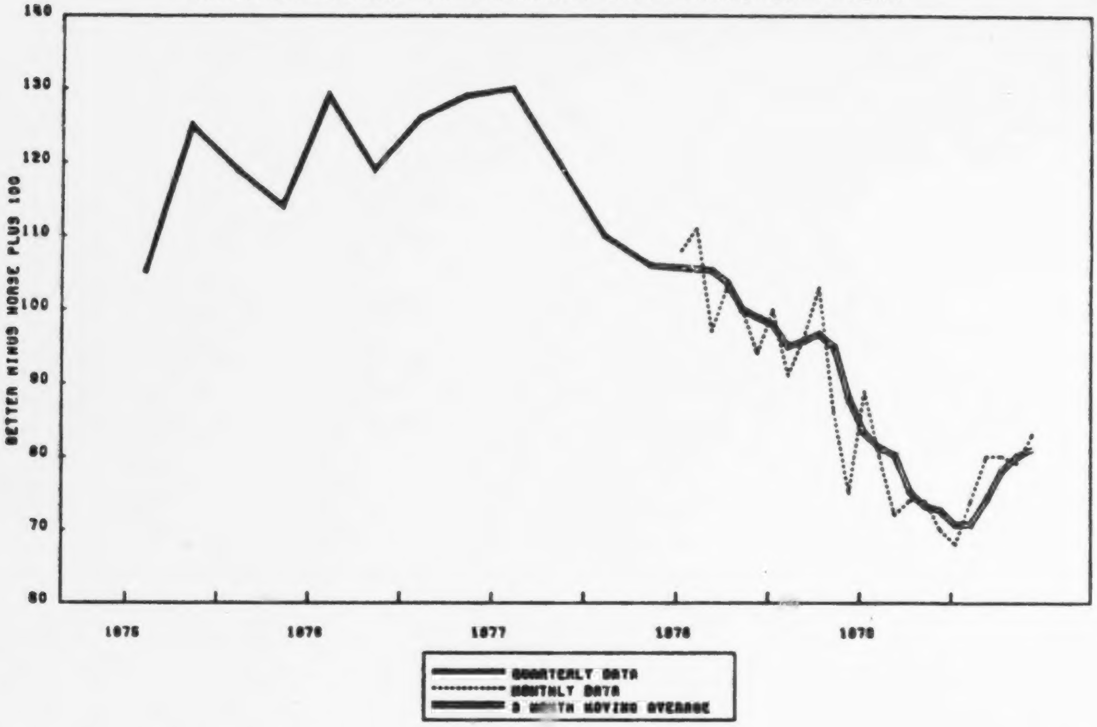

CHART 14 - HISTORICAL SERIES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

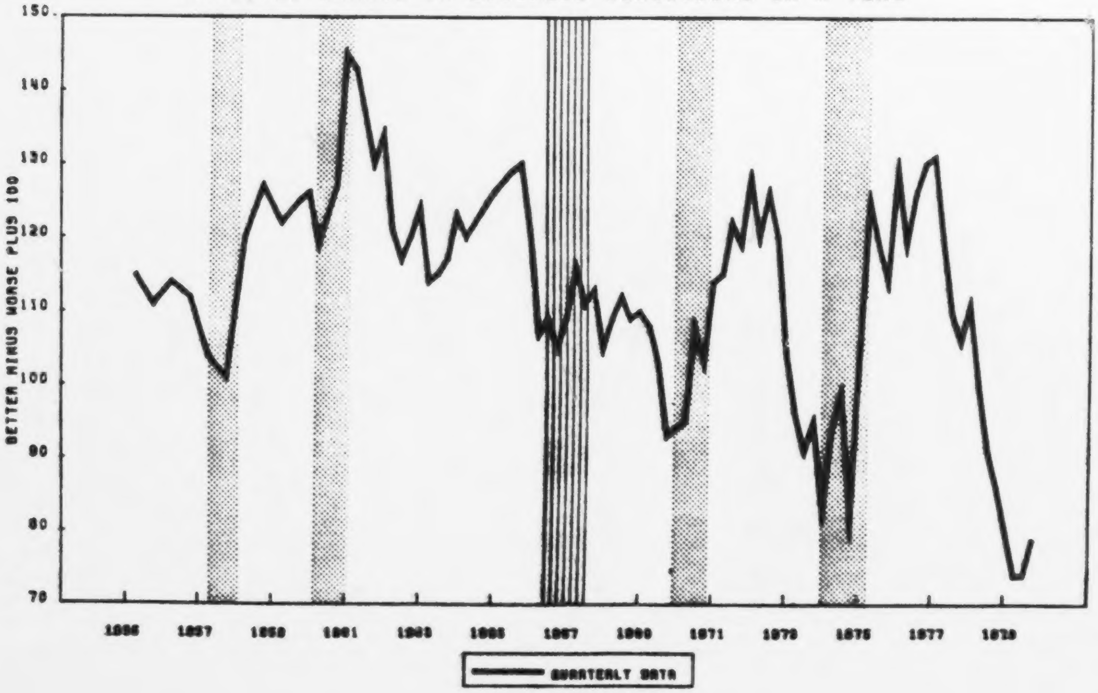

TABLE 14

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

	DEC. 1978	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979
BETTER	13%	19%	14%	10%	12%	11%	12%	11%	13%	15%	15%	15%	18%
SAME	42	48	48	47	45	49	42	43	46	46	47	47	43
WORSE	38	30	34	38	38	37	42	43	39	35	35	36	35
DK, NA	7	3	4	5	5	3	4	3	2	4	3	2	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "AND HOW ABOUT A YEAR FROM NOW, DO YOU EXPECT THAT IN THE COUNTRY AS A WHOLE BUSINESS CONDITIONS WILL BE BETTER OR WORSE THAN THEY ARE AT PRESENT, OR JUST ABOUT THE SAME?"

CHART 15 - RECENT CHANGES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

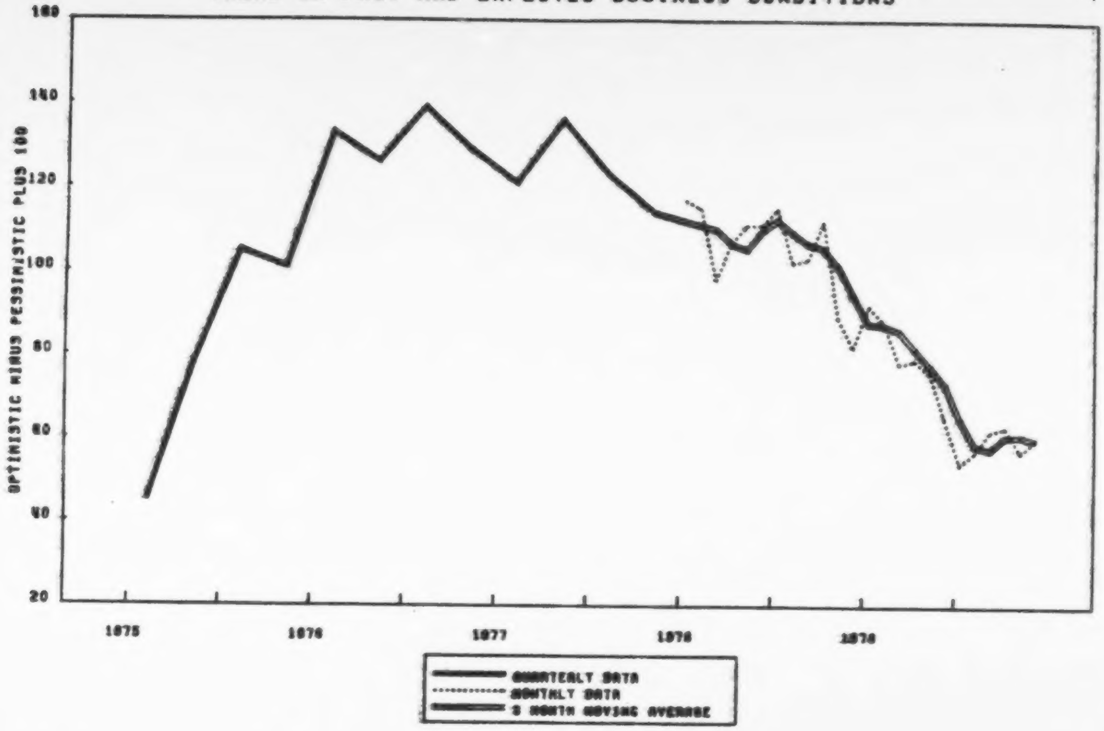

CHART 15 - HISTORICAL SERIES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

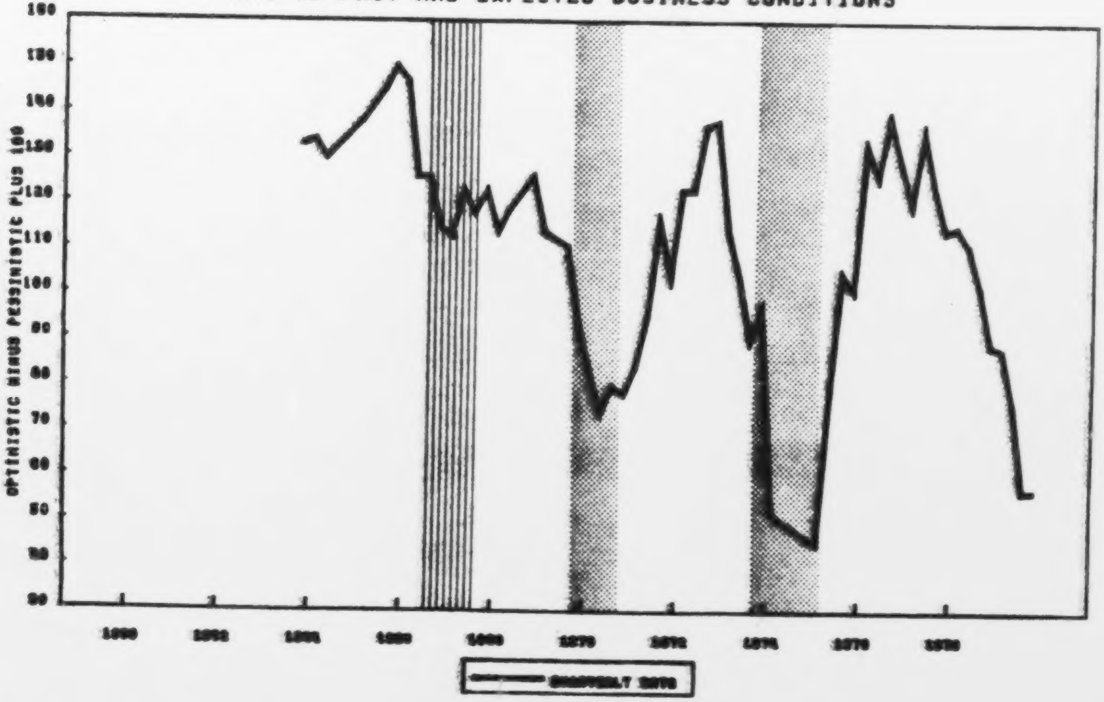

TABLE 15

TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

	DEC. 1978	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979
B/B+	6%	10%	9%	5%	8%	7%	6%	3%	4%	5%	6%	4%	6%
B/S, S/B	20	23	21	20	17	17	13	13	13	14	13	12	11
S/S	11	8	9	8	8	10	7	5	5	5	7	8	6
W/S, S/W	19	21	20	23	23	25	27	29	30	30	31	30	29
W/W	25	20	22	24	23	23	28	33	31	27	26	29	28
W/B, B/W	10	13	12	11	14	13	12	13	12	13	11	14	14
DK, NA	9	5	7	9	7	5	7	4	5	6	6	3	6
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

KEY: B=BETTER, S=SAME, W=WORSE, DK=DON'T KNOW, NA=NOT ASCERTAINED,

+ = BETTER THAN A YEAR AGO/WILL BE BETTER A YEAR FROM NOW.

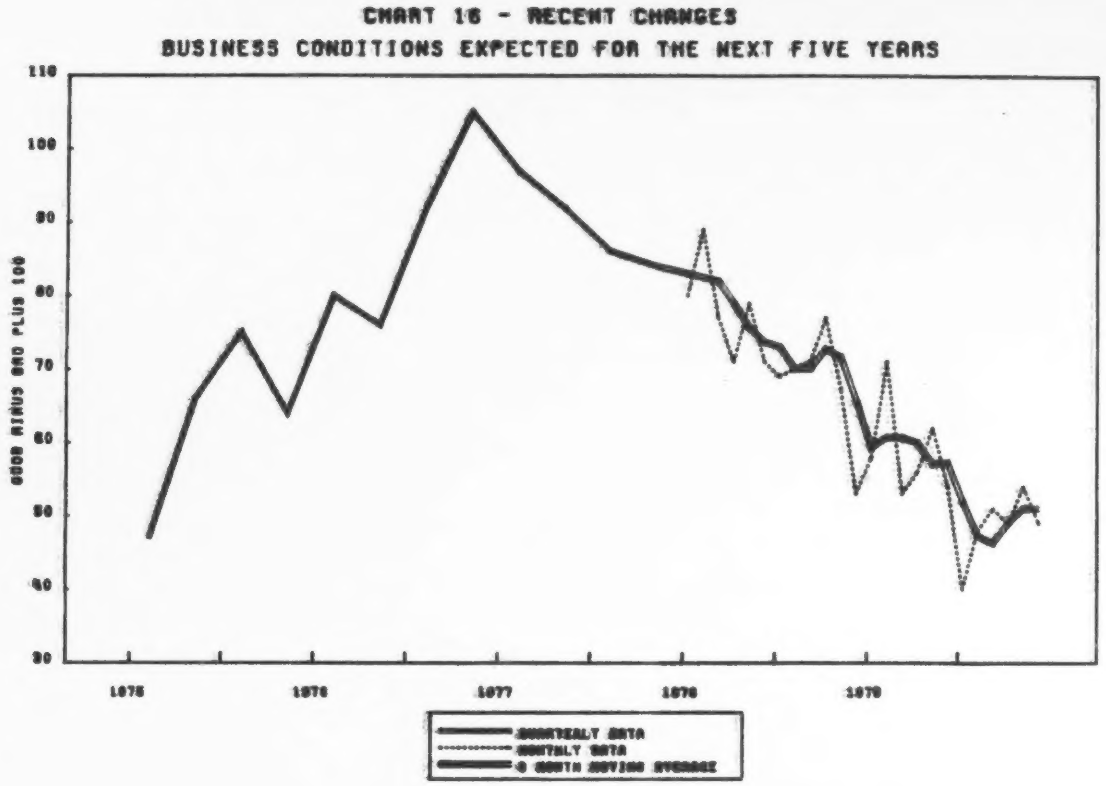
CHART 16 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

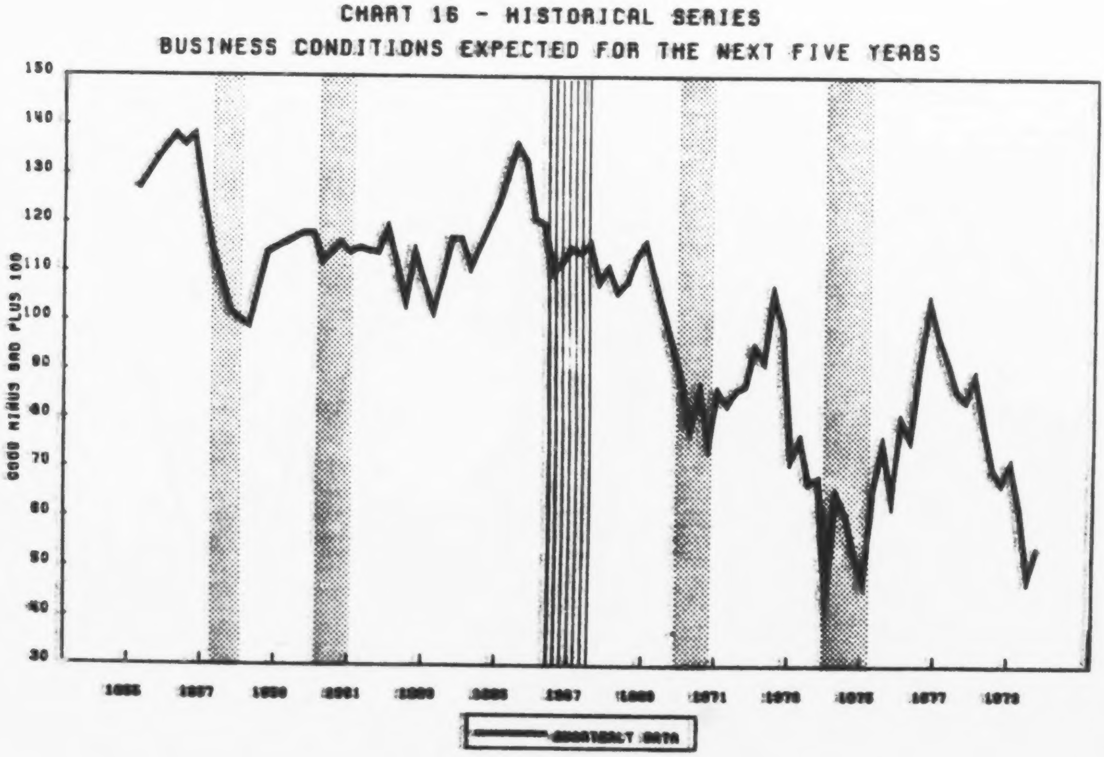
CHART 16 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

TABLE 16

BUSINESS CONDITIONS EXPECTED FOR NEXT FIVE YEARS

	DEC. 1978	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979
GOOD TIMES	10%	18%	23%	16%	18%	19%	14%	10%	14%	16%	16%	18%	15%
UNCERTAIN, GOOD & BAD	22	17	18	14	13	17	16	14	15	16	13	12	14
BAD TIMES	57	60	52	63	62	57	60	70	66	65	67	64	66
NA	11	5	7	7	7	7	10	6	5	3	4	6	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "LOOKING AHEAD, WHICH WOULD YOU SAY IS MORE LIKELY — THAT IN THE COUNTRY AS A WHOLE WE'LL HAVE CONTINUOUS GOOD TIMES DURING THE NEXT 5 YEARS OR SO, OR THAT WE WILL HAVE PERIODS OF WIDESPREAD UNEMPLOYMENT OR DEPRESSION, OR WHAT?"

CHART 17 - RECENT CHANGES
EXPECTED CHANGE IN INTEREST RATES

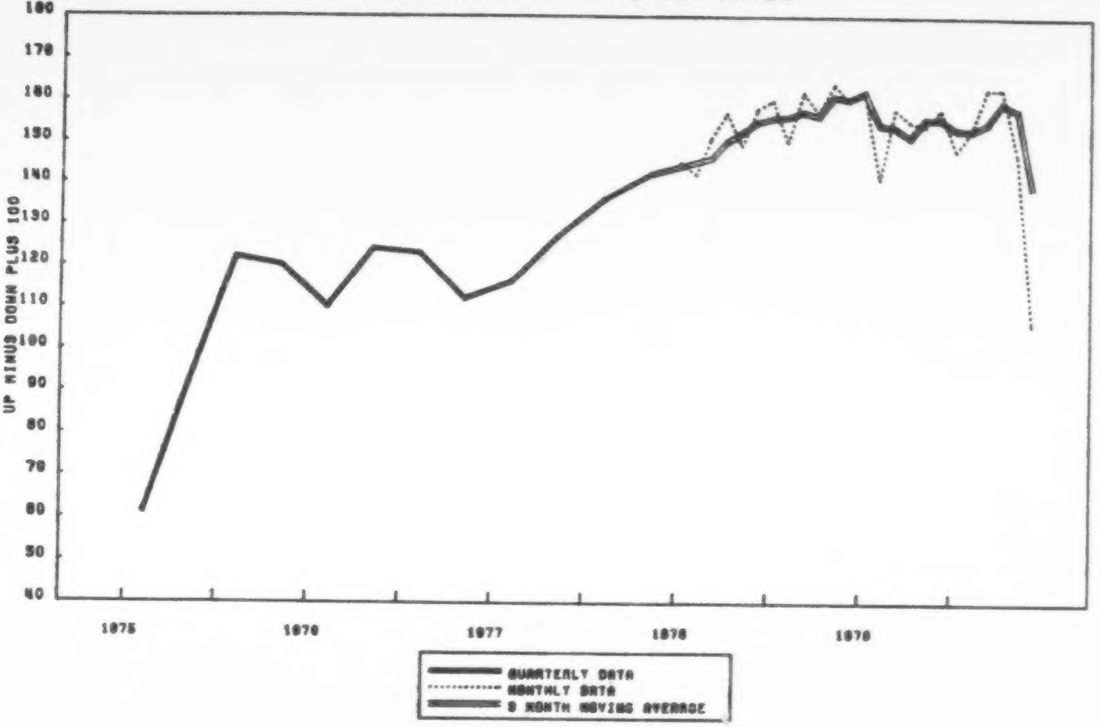

CHART 17 - HISTORICAL SERIES
EXPECTED CHANGE IN INTEREST RATES

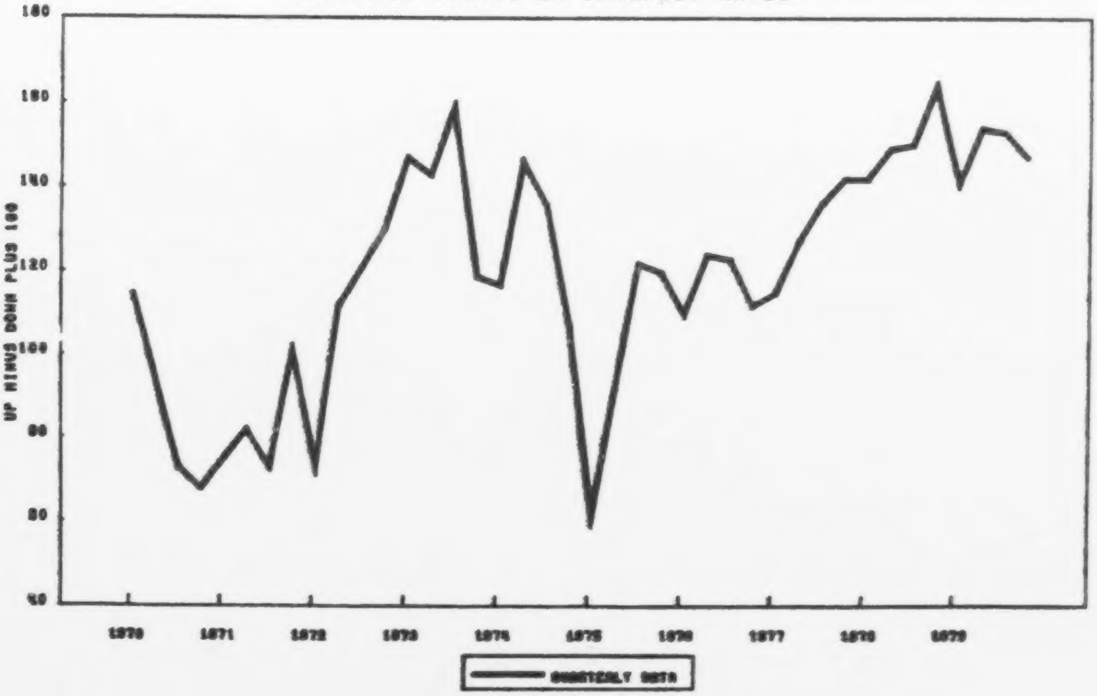

TABLE 17

EXPECTED CHANGE IN INTEREST RATES

	DEC. 1978	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979
GO UP	66%	69%	54%	65%	63%	61%	66%	60%	61%	70%	70%	62%	40%
STAY THE SAME	21	20	27	23	25	27	22	25	26	20	20	20	22
GO DOWN	6	7	13	7	8	7	8	12	8	7	7	15	34
DK, NA	7	4	6	5	4	5	4	3	5	3	3	3	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "NO ONE CAN SAY FOR SURE, BUT WHAT DO YOU THINK WILL HAPPEN TO INTEREST RATES FOR BORROWING DURING THE NEXT 12 MONTHS?"

CHART 18 - RECENT CHANGES
EXPECTED CHANGE IN UNEMPLOYMENT

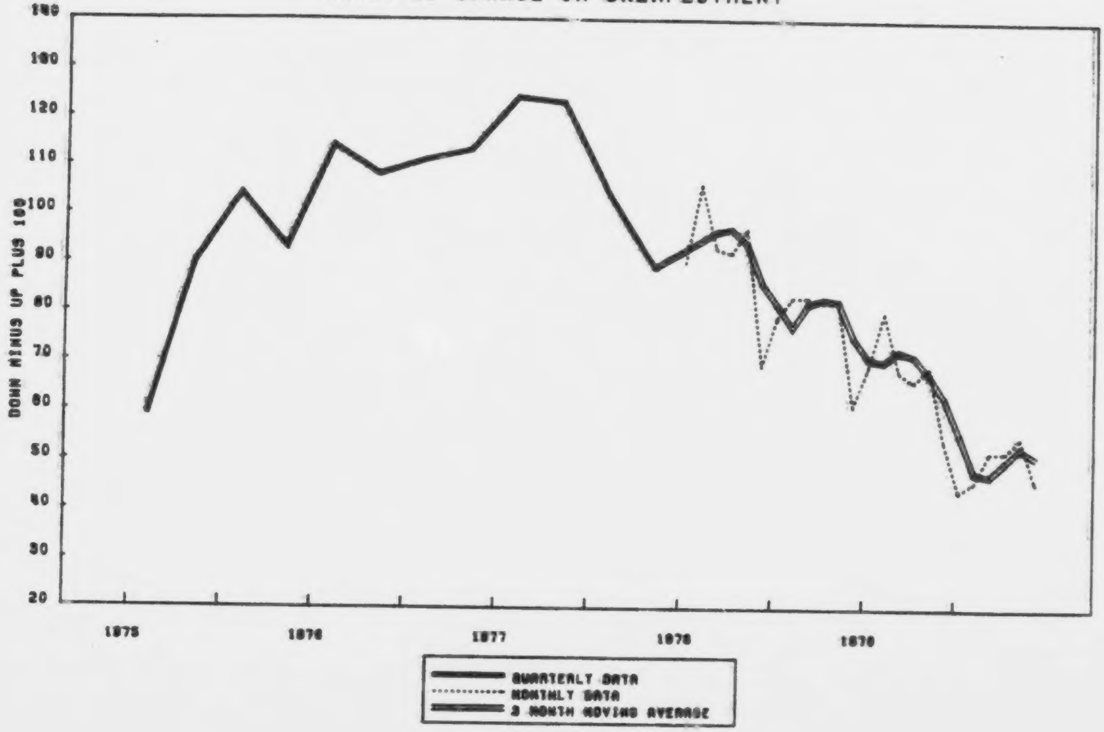

CHART 18 - HISTORICAL SERIES
EXPECTED CHANGE IN UNEMPLOYMENT

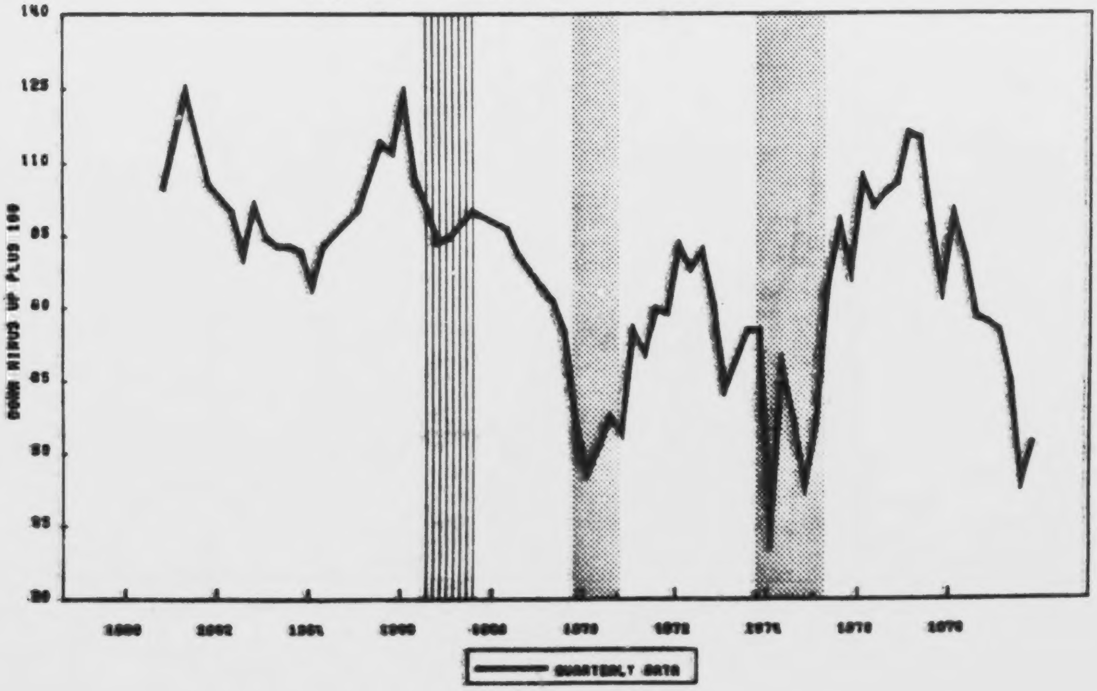

TABLE 18

EXPECTED CHANGE IN UNEMPLOYMENT

	DEC. 1978	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979
LESS	7%	10%	14%	9%	11%	9%	6%	6%	7%	7%	7%	9%	7%
SAME	42	45	50	46	41	46	39	31	30	36	36	35	30
MORE	46	41	34	41	45	40	52	62	61	55	55	54	61
DK, NA	5	4	2	4	3	5	3	1	2	2	2	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: " HOW ABOUT PEOPLE OUT OF WORK DURING THE COMING 12 MONTHS — DO YOU THINK THAT THERE WILL BE MORE UNEMPLOYMENT THAN NOW, ABOUT THE SAME, OR LESS?"

CHART 19 - RECENT CHANGES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

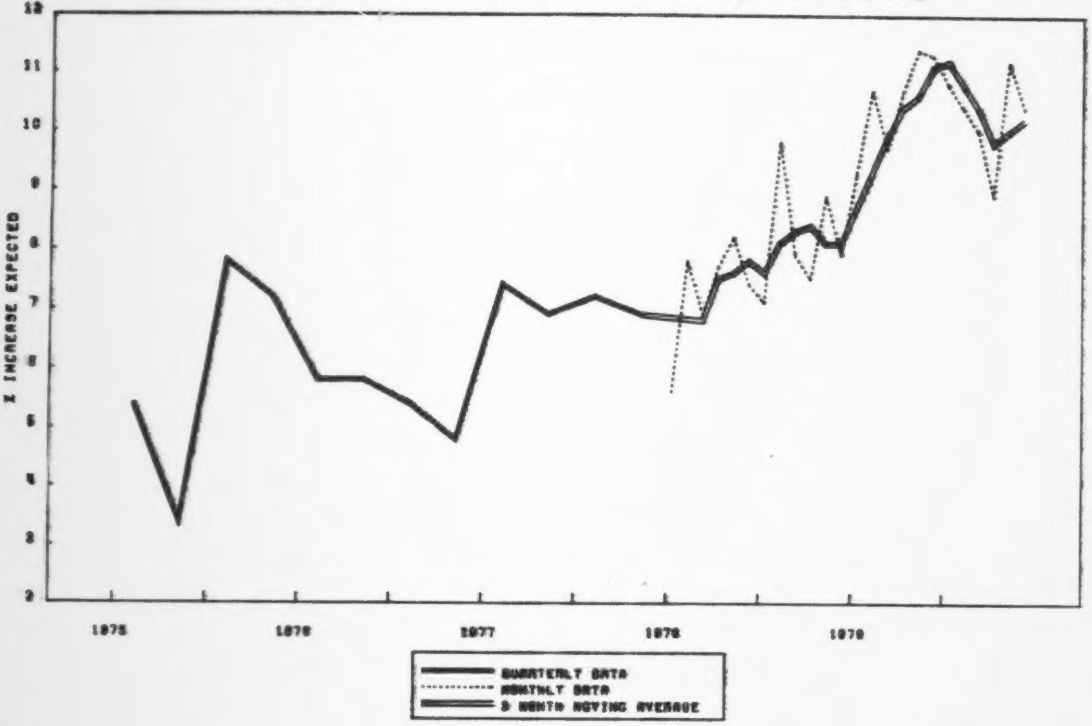

CHART 19 - HISTORICAL SERIES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

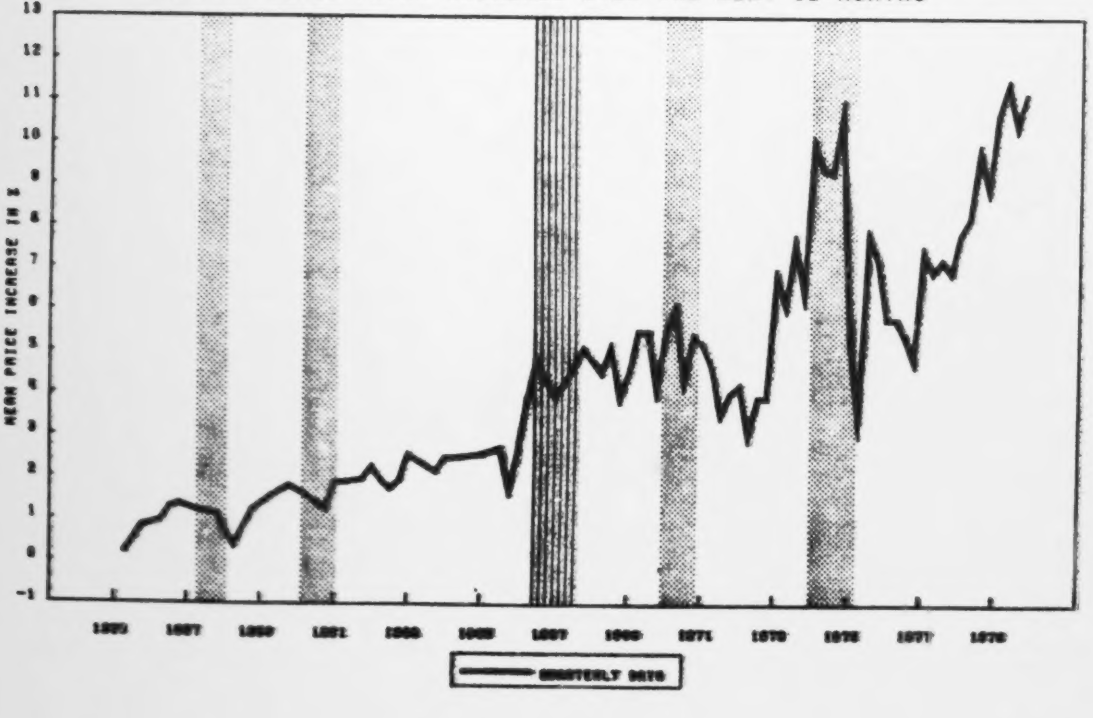

TABLE 19

EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

	DEC. 1978	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979
SAME OR DOWN	7%	8%	11%	4%	6%	8%	10%	12%	13%	12%	13%	12%	15%
1 - 2% UP	3	4	2	5	4	3	3	2	2	5	4	2	2
3 - 4% UP	8	5	7	10	6	6	6	5	6	5	6	5	4
5% UP	12	10	9	8	11	10	8	10	9	8	10	7	7
6 - 9% UP	19	25	18	18	14	15	14	12	12	14	14	13	12
10% OR MORE	25	29	39	36	43	45	47	45	47	41	36	48	47
DK HOW MUCH UP	22	18	12	18	15	12	10	11	10	13	16	12	10
DK, NA	4	1	2	1	1	1	2	3	1	2	1	1	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	7.9	9.3	10.7	9.7	10.7	11.4	11.3	10.8	10.4	10.0	8.9	11.2	10.4

THE QUESTIONS WERE: "DURING THE NEXT 12 MONTHS, DO YOU THINK THAT PRICES IN GENERAL WILL GO UP, OR GO DOWN, OR STAY WHERE THEY ARE NOW?" (IF WILL GO UP) "BY ABOUT WHAT PERCENT DO YOU EXPECT PRICES TO GO UP, ON THE AVERAGE, DURING THE NEXT TWELVE MONTHS?"

TABLE 20

UNEMPLOYMENT OR INFLATION MORE SERIOUS

	DEC. 1978	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979
UNEMPLOYMENT	23%	24%	24%	27%	21%	18%	23%	26%	27%	26%	25%	24%	28%
EQUALLY SERIOUS	9	6	7	7	5	9	8	10	9	7	8	8	10
INFLATION	65	66	67	63	71	68	67	62	63	65	65	65	60
DK, NA	3	4	2	3	3	5	2	2	1	2	2	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "WHICH OF THE TWO PROBLEMS — UNEMPLOYMENT OR INFLATION — DO YOU THINK WILL CAUSE THE MORE SERIOUS ECONOMIC HARDSHIP FOR PEOPLE DURING THE NEXT YEAR OR SO?"

CHART 21 - RECENT CHANGES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

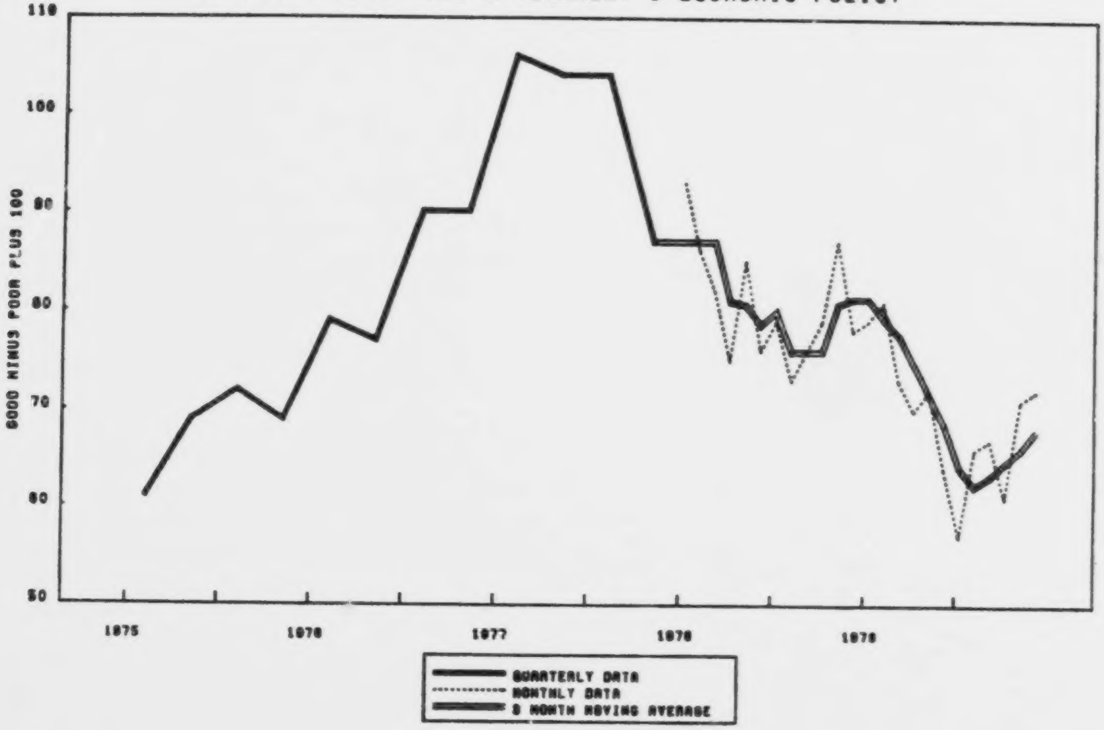

CHART 21 - HISTORICAL SERIES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

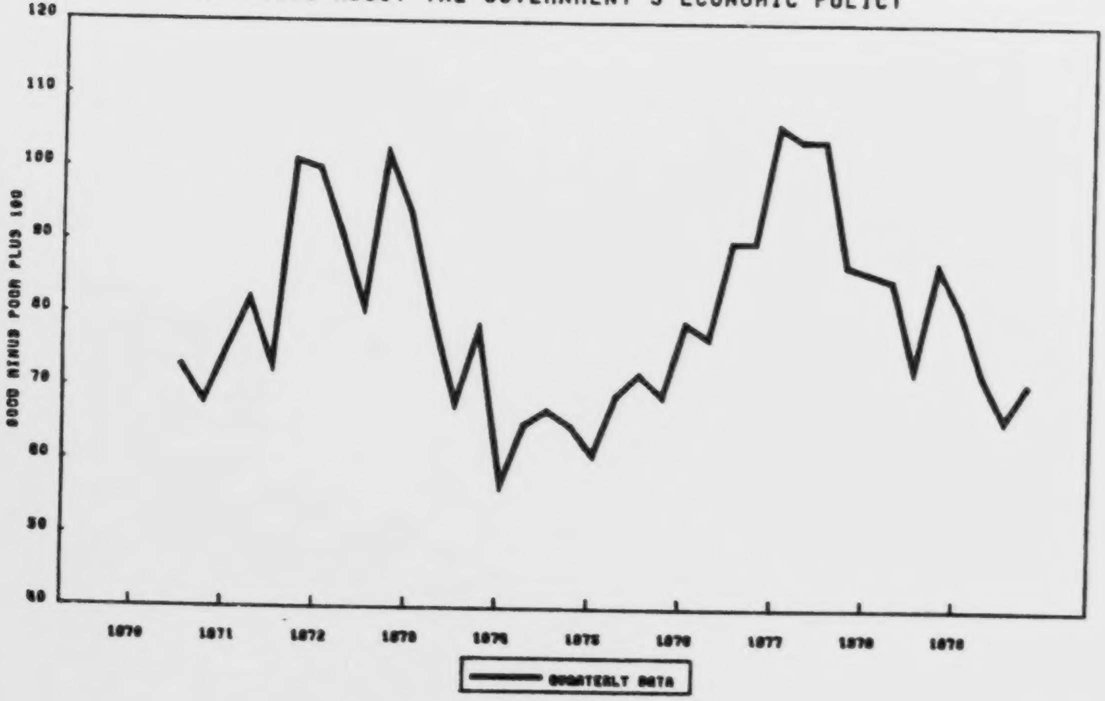

TABLE 21

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

	DEC. 1978	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979
A GOOD JOB	10%	9%	12%	9%	9%	10%	7%	5%	8%	7%	6%	10%	9%
ONLY FAIR	52	55	54	50	48	48	47	43	48	51	46	47	50
A POOR JOB	32	30	31	36	39	38	43	48	42	40	45	39	37
DK, NA	6	6	3	5	4	4	3	4	2	2	3	4	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "AS TO THE ECONOMIC POLICY OF THE GOVERNMENT — I MEAN STEPS TAKEN TO FIGHT INFLATION OR UNEMPLOYMENT — WOULD YOU SAY THE GOVERNMENT IS DOING A GOOD JOB, ONLY FAIR, OR A POOR JOB?"

CHART 23 - RECENT CHANGES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

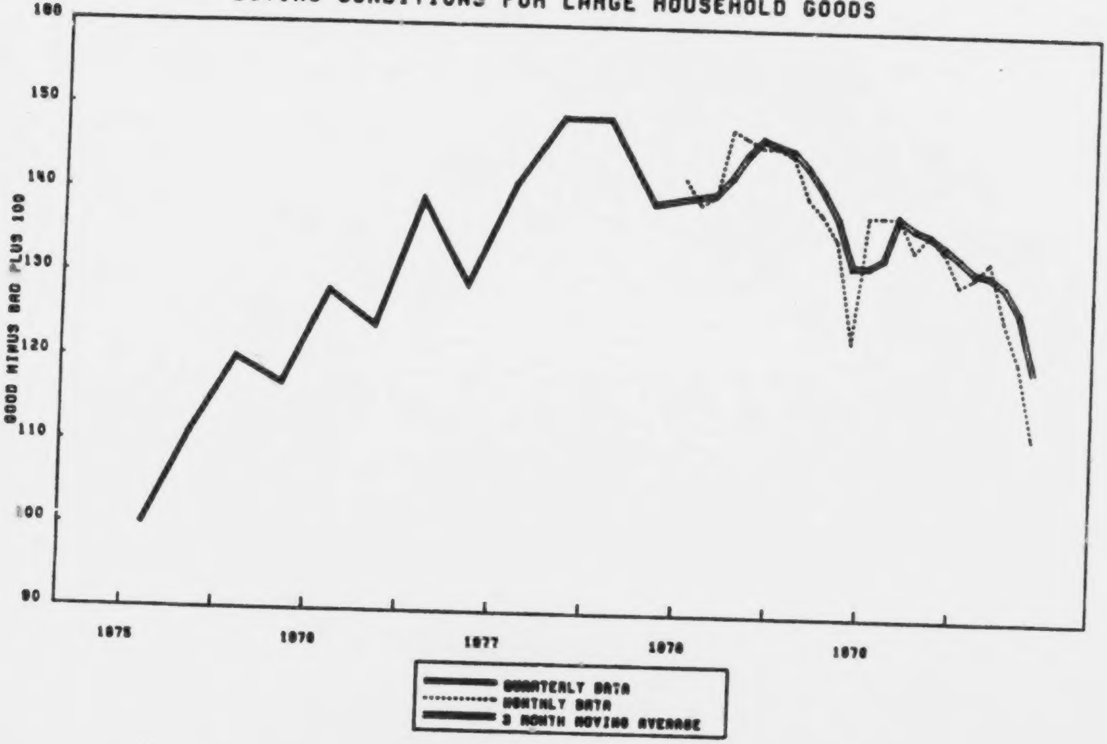

CHART 23 - HISTORICAL SERIES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

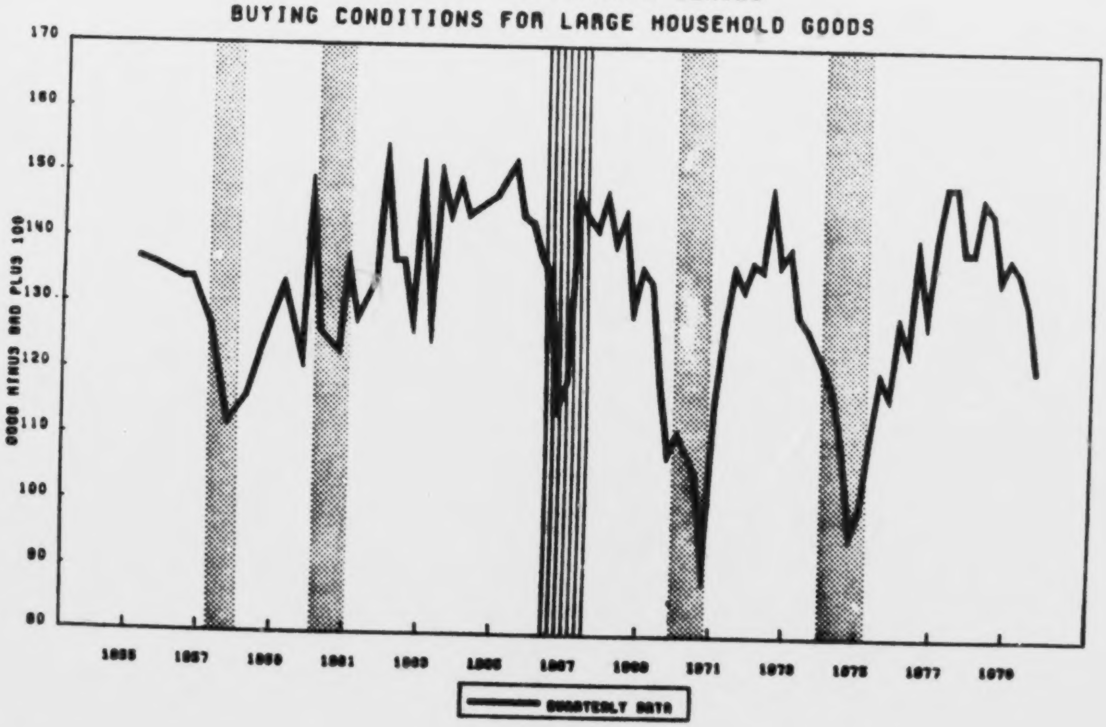

TABLE 23

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

	DEC. 1978	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979
GOOD TIME TO BUY	53%	63%	61%	63%	61%	62%	62%	60%	58%	62%	58%	54%	53%
UNCERTAIN, DEPENDS	17	12	16	12	12	12	10	10	15	9	10	13	6
BAD TIME TO BUY	30	25	23	25	27	26	28	30	27	29	32	33	41
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "ABOUT THE BIG THINGS PEOPLE BUY FOR THEIR HOUSE — SUCH AS FURNITURE, A REFRIGERATOR, STOVE, AND THINGS LIKE THAT. GENERALLY SPEAKING, DO YOU THINK NOW IS A GOOD TIME OR A BAD TIME TO BUY MAJOR HOUSEHOLD ITEMS?"

TABLE 24

SELECTED REASONS FOR OPINIONS ABOUT CURRENT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

	DEC. 1978	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979
GOOD TIME TO BUY:													
PRICES ARE LOW; GOOD BUYS AVAILABLE	8%	12%	21%	11%	6%	17%	10%	9%	19%	13%	8%	18%	12%
PRICES GOING HIGHER; WON'T COME DOWN	39	48	35	50	53	35	46	46	33	42	48	27	38

CHART 25 - RECENT CHANGES
BUYING CONDITIONS FOR CARS

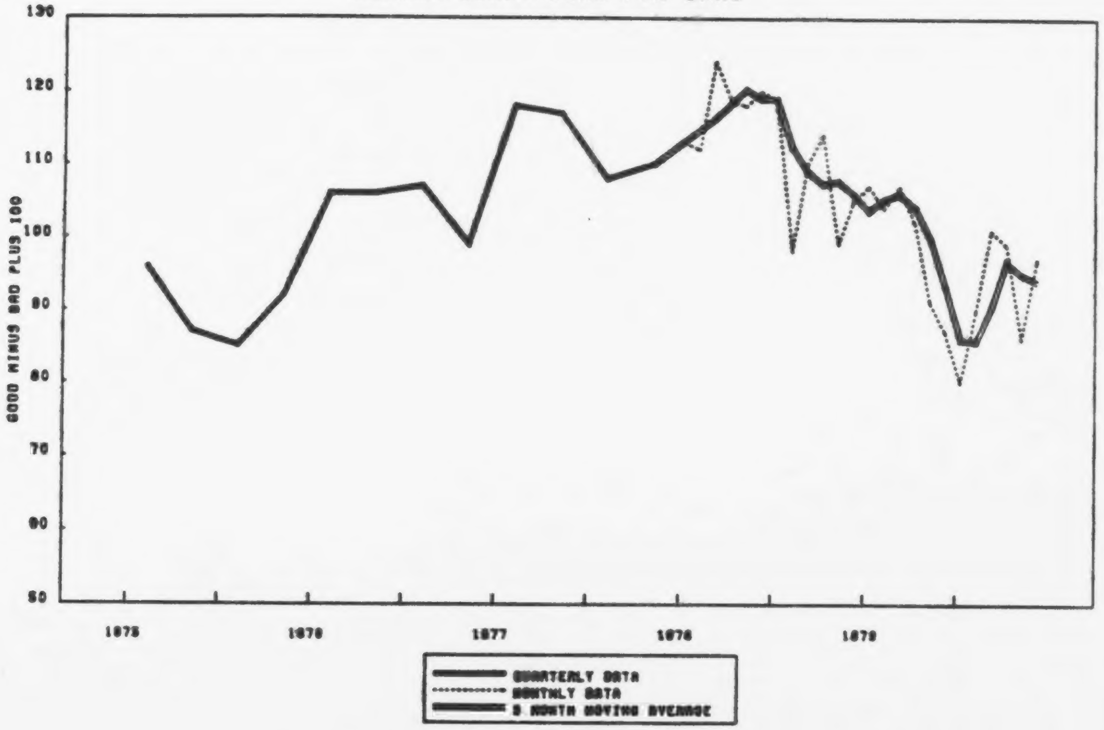

CHART 25 - HISTORICAL SERIES
BUYING CONDITIONS FOR CARS

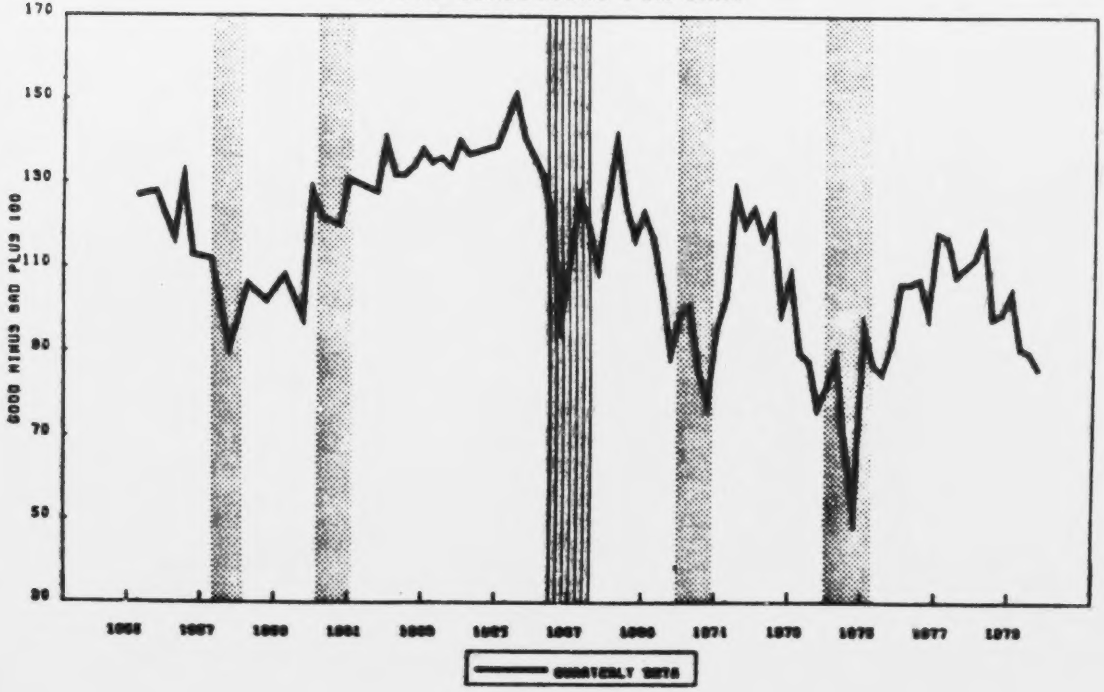

TABLE 25

BUYING CONDITIONS FOR CARS

	DEC. 1978	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979
GOOD TIME TO BUY	42%	46%	43%	47%	45%	39%	37%	32%	38%	44%	45%	38%	44%
UNCERTAIN, DEPENDS	21	15	18	13	12	13	13	16	14	12	9	10	9
BAD TIME TO BUY	37	39	39	40	43	48	50	52	48	44	46	52	47
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "SPEAKING NOW OF THE AUTOMOBILE MARKET -- DO YOU THINK THE NEXT 12 MONTHS OR SO WILL BE A GOOD OR A BAD TIME TO BUY A CAR?"

TABLE 26

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

	DEC. 1978	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979
GOOD TIME TO BUY:													
PRICES ARE LOW; GOOD BUYS AVAILABLE	4%	6%	7%	5%	5%	6%	7%	10%	16%	18%	13%	13%	15%
PRICES GOING HIGHER; WON'T COME DOWN	31	33	29	35	30	22	21	17	13	21	23	16	21
NEW FUEL EFFICIENT MODELS	2	1	4	7	12	15	12	11	11	9	8	8	10
BAD TIME TO BUY:													
PRICES ARE HIGH; MAY FALL LATER	28	29	30	31	21	26	25	27	27	25	27	30	27
CREDIT; HIGH INTEREST RATES	6	5	6	6	5	5	3	4	7	6	8	18	16
ENERGY CRISIS	3	5	3	14	19	22	26	25	18	14	13	10	12

* = LESS THAN HALF OF ONE PERCENT.

RESPONSES TO THE QUERY "WHY DO YOU SAY SO?" FOLLOWING THE QUESTION NOTED IN THE PREVIOUS TABLE.

CHART 27 - RECENT CHANGES
BUYING CONDITIONS FOR HOUSES

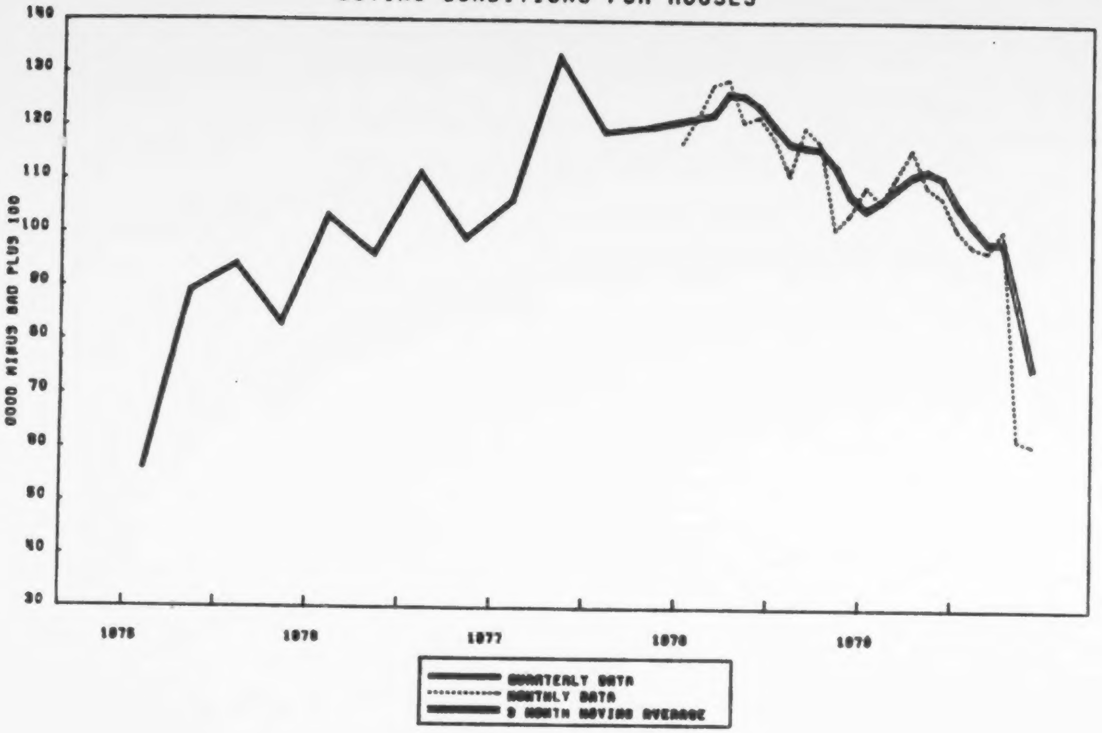

CHART 27 - HISTORICAL SERIES
BUYING CONDITIONS FOR HOUSES

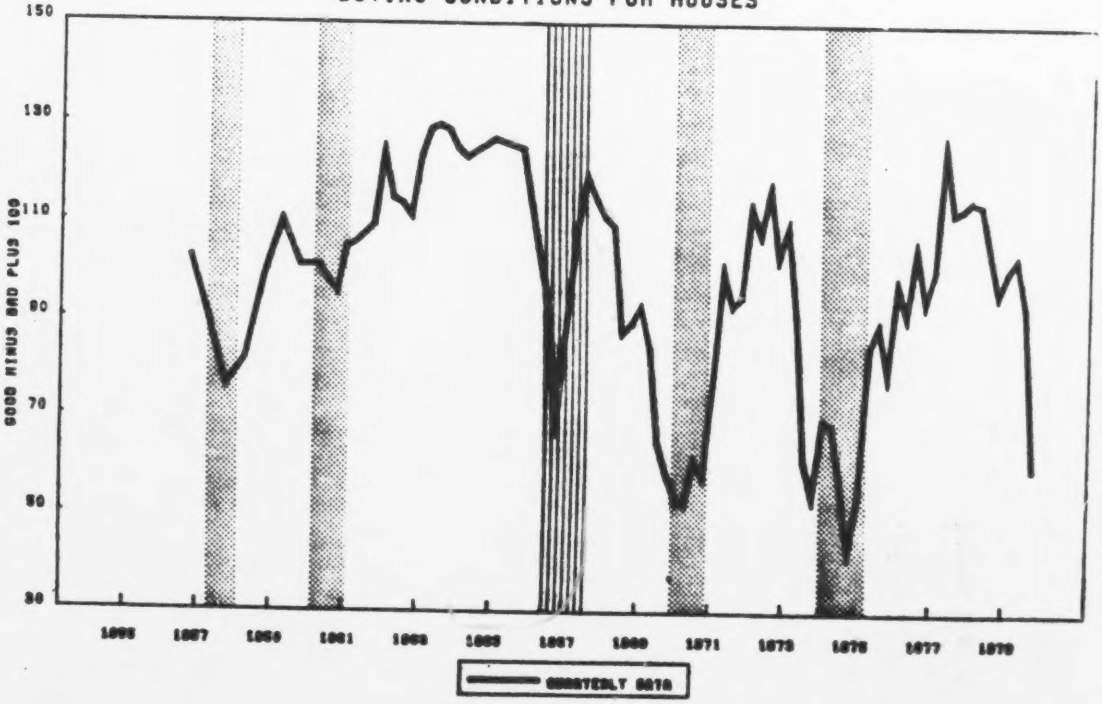

TABLE 27

BUYING CONDITIONS FOR HOUSES

	DEC. 1978	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979
GOOD TIME TO BUY	46%	50%	49%	50%	54%	51%	50%	48%	46%	46%	48%	28%	27%
UNCERTAIN, DEPENDS	12	9	8	11	8	7	7	5	6	5	5	6	7
BAD TIME TO BUY	42	41	43	39	38	42	43	47	48	49	47	66	66
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "GENERALLY SPEAKING, DO YOU THINK NOW IS A GOOD TIME OR A BAD TIME TO BUY A HOUSE?"

U7475-2

DECEMBER 1979 SURVEY January 7, 1980

Monitoring Economic Change Program

Surveys of Consumer Attitudes • Economic Outlook USA

CONSUMER PESSIMISM CONTINUES

**In the December 1979 Survey, the Index of Consumer Sentiment was 61.0, down 2.3 Index-points from November, and 5.1 Index-points below December 1978. On balance, the Index of Consumer Sentiment has remained largely unchanged during the last 3 months of 1979. During this time, however, evaluations of current personal finances and market conditions have declined significantly, while expectations for future changes in business conditions have showed modest improvement.

**Among families with incomes of $15,000 or more, the Index of Consumer Sentiment was 55.1 in December 1979, down 2.1 Index-points from November, and 6.1 Index-points from December 1978. Among all families, the high-income Index value has remained largely unchanged during the last three months of 1979 at near record low levels.

**In the December 1979 Survey, nearly half of all families (46 percent) felt that they were worse off financially than a year earlier, and one-in-four (26 percent) expected their personal financial situation to worsen in the year ahead.

**Long and short term business expectations have remained decidedly pessimistic in the December survey. Among all families, 66 percent expect bad times financially in the economy as a whole during the next 5 years (up from 57 percent in December 1978), while 15 percent expected good times financially (up from 10 percent in December 1978).

**The December 1979 Survey revealed a significant shift in interest rate expectations: the proportion who now expect declines has increased to 34 percent, up from 15 percent in November and 7 percent in October 1979. Just 40 percent expect further interest rate increases, down from 62 percent in November and 70 percent in October and September 1979.

**Consumers continue to expect double digit inflation, with the average expected rate of inflation recorded at 10.4% in the December survey.

* * *

At year end 1979, the expectation of increasing unemployment and double-digit inflation was widespread among consumers. Almost half reported that their personal financial situation had worsened during the past year, and two-in-three expected bad times financially for the economy as a whole in the year ahead.

During the past several months, buying attitudes, which had been maintained at an elevated level due to buy-in-advance psychology, have been seriously weakened by high interest rates and tight credit conditions.

After more than two years of growing pessimism, the current state of consumer sentiment is similar to prior cyclical lowpoints, although subject to some further downward movement.

Personal Finances

By the end of 1979, evaluations of personal financial progress were less favorable than at any time except the 1974-75 record lowpoint. In the December 1979 survey, 27 percent said they were better off financially than a year ago (down from 30 percent in November) and 46 percent reported being worse off financially in December (up from 44 percent in November 1979). During the past two years, there has been a substantial increase in the proportion of respondents who report being worse off financially, rising from 29 percent in late 1977, to 38 percent in December 1978, and 46 percent in December 1979. When asked to explain why their financial situation had changed, higher prices making them worse off financially was mentioned by 46 percent of all respondents in December 1979, up from 31 percent in December 1978. Respondents were almost as likely to mention past income increases in December 1979 as in the December 1978 survey (28 versus 32 percent).

In each of the 12 surveys conducted in 1979, proportionately more respondents said they expected to be worse rather than better off financially in the year ahead. Such a plurality of unfavorable personal financial expectations was recorded in only one survey prior to 1979--conducted in late 1974. By year end 1979, personal financial expectations were somewhat above the record low levels recorded at mid-year. Among all families, 25 percent expected to be better off financially in a year (up from 21 percent in November 1979 and December 1978), while 26 percent expected to be worse off financially (down from 24 percent in November 1979 and December 1978).

Business Conditions

News heard of recent changes in business conditions remained overwhelmingly negative in the December 1979 survey, with reports of unfavorable news items exceeding favorable by a margin of 81 to 10 percent. Among all families, 66 percent felt that business conditions had worsened (up from 43 percent in December 1978), while just 21 percent reported that business conditions were now better than those of a year earlier (down from 31 percent in December 1978). The majority of the decline in evaluations of current business conditions occurred during 1978 and during the first half of 1979; since July 1979 these evaluations have remained largely unchanged.

In contrast, the future outlook for business conditions improved somewhat from the mid-1979 record low levels. In December 1979, the proportion of respondents who expected business conditions to further worsen exceeded the proportion who expected improvement by a margin of 35 to 18 percent; this represents a small improvement over the negative margin of 43 to 11 percent recorded in July 1979, and nearly equal the 38 to 13 percent margin recorded in December 1978.

The majority of respondents continued to expect bad times financially in the economy during the next 12-month and five-year periods. In the December 1979 survey, respondents expected bad rather than good times financially in the economy as a whole during the next 12 months by a margin of 68 to 20 percent. Although this represents a small improvement over the July 1979 lowpoint(74 versus 13 percent), it remains a more pessimistic view than recorded in December 1978 (58 versus 19 percent).

Interest rates expectations changed significantly by year-end 1979. In the December 1979 survey, 40 percent reported that they expected interest rates to increase during the year ahead, down from 62 percent in November 1979, and 66 percent in December 1978. Interest rates were expected to decline by 34 percent of all respondents in December 1979, compared with 15 percent in November 1979, and just 6 percent in December 1978.

Consumers expected prices to increase on average by 10.4% in the December 1979 survey, down from the 11.2% recorded in November, but significantly higher than the 7.9% recorded in December 1978. Expected changes in the unemployment rate returned to its mid-1979 low reading. In December 1979, 61 percent of all families expected unemployment to increase, up from 54 percent in November 1979, and 46 percent in December 1978. Concern with unemployment rather than inflation as the most serious economic problem facing the nation has grown in relative importance, although inflation still dominates public concern. In the December 1979 survey, 28 percent reported that unemployment was the more serious economic problem, up from 24 percent in November 1979 and 23 percent in December 1978; in comparison, 60 percent reported that inflation was the more serious economic problem, down from 65 percent in November 1979 and 65 percent in December 1978.

Confidence in government economic policy to combat inflation and unemployment partially recovered losses recorded in mid-1979. In December 1979, 37 percent of all respondents rated the government as doing a poor job, down from 39 percent in November, but it remains above the 32 percent recorded in December 1978.

Buying Attitudes Weaken

Unfavorable attitudes toward buying conditions for large household durables increased significantly in the December 1979 survey. Among all families, 41 percent reported unfavorable durable buying attitudes in December, up from 33 percent in

November 1979, and 30 percent in December 1978. The proportion who reported favorable buying attitudes toward household durables remained unchanged (53 percent in both December 1979 and December 1978). The growth in unfavorable attitudes toward durable buying conditions can be traced to more frequent mentions of postponement because of high prices which may fall later (26 percent in December 1979, up from 18 percent in November 1979), and more frequent complaints about high interest rates (12 percent in December 1979, up from 3 percent in November 1979).

The December 1979 survey recorded a modest improvement in attitudes toward buying conditions for automobiles. In December 1979, 44 percent of all families rated buying conditions for autos as favorable (up from 38 percent in November 1979), while 47 percent reported unfavorable buying attitudes (down from 52 percent in November 1979). The proportion of respondents who expressed favorable buying attitudes in the December 1978 and December 1979 surveys were nearly identical (42 versus 44 percent), while the proportion holding unfavorable attitudes increased from 37 percent in December 1978 to 47 percent in December 1979. This significant increase in unfavorable attitudes can be traced to more frequent mentions of tight credit conditions and high interest rates (16 percent in December 1979 compared with 6 percent in December 1978), and greater concern with the energy crisis (12 percent in December 1979 compared with 3 percent in December 1978). Although the proportion of respondents holding favorable buying attitudes has remained largely unchanged during the past year, the reasons underlying these views have shifted from buy-in-advance price rationales (21 percent in December 1979 compared with 31 percent in December 1978) to more frequent mentions of low prices (15 percent in December 1979, up from 4 percent in December 1978), and the availability of new fuel efficient models (10 percent in December 1979, up from 2 percent in December 1978).

Attitudes toward buying conditions for houses remained at the greatly depressed levels first recorded in the November 1979 survey. Among all families, 66 percent reported unfavorable attitudes toward buying conditions for homes -- (unchanged from the 66 pecent recorded in November 1979, but significantly above the 42 percent recorded in December 1978). Just 27 percent reported favorable home buying attitudes, similar to the 28 percent recorded in November, and significantly below the 45 percent recorded in December 1978.

The December survey included 850 interviews, conducted between November 24 and December 19, 1979.

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SURVEYS OF CONSUMER ATTITUDES

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TABLES AND CHARTS

JANUARY 1980

THE JANUARY 1980 SURVEY IS THE 114TH IN A SERIES OF SURVEYS OF CONSUMER ATTITUDES CONDUCTED DURING THE LAST 30 YEARS. THE PURPOSE OF THESE SURVEYS IS TO MEASURE CHANGES IN CONSUMER ATTITUDES AND EXPECTATIONS, AND TO INCREASE UNDERSTANDING OF WHY THESE CHANGES OCCUR AND HOW THEY AFFECT CONSUMER DECISIONS TO MAKE DISCRETIONARY PURCHASES OR TO SAVE. THIS TYPE OF UNDERSTANDING IS AN ESSENTIAL INGREDIENT FOR FORECASTING CHANGES IN AGGREGATE CONSUMER BEHAVIOR.

TWO CHARTS ARE PRESENTED FOR EVERY QUESTION. ONE GIVES QUARTERLY RESULTS FROM 1955 TO THE LAST QUARTERLY OBSERVATION. A SECOND CHART SHOWS MONTHLY RESULTS SINCE JANUARY OF 1978, WHEN THIS SERIES WAS INSTITUTED, ALONG WITH A SIMPLE THREE MONTH MOVING AVERAGE PLOTTED ON THE LAST OF THE THREE MONTHS.

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26	SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS
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CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

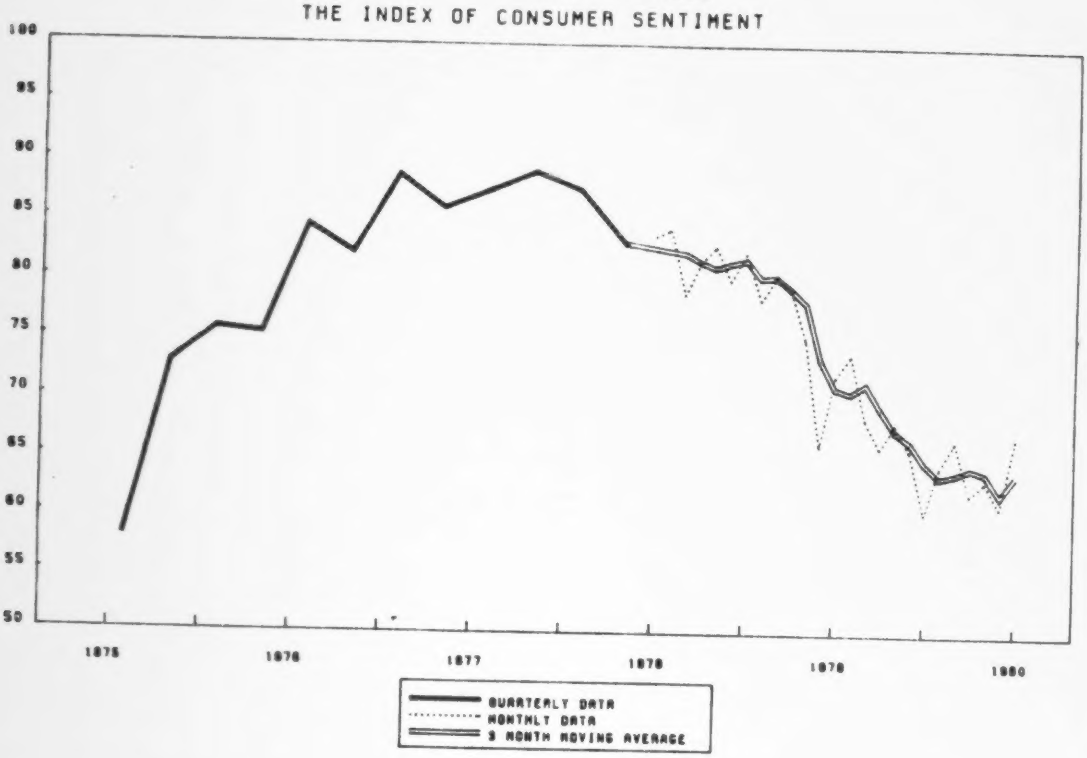

CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT

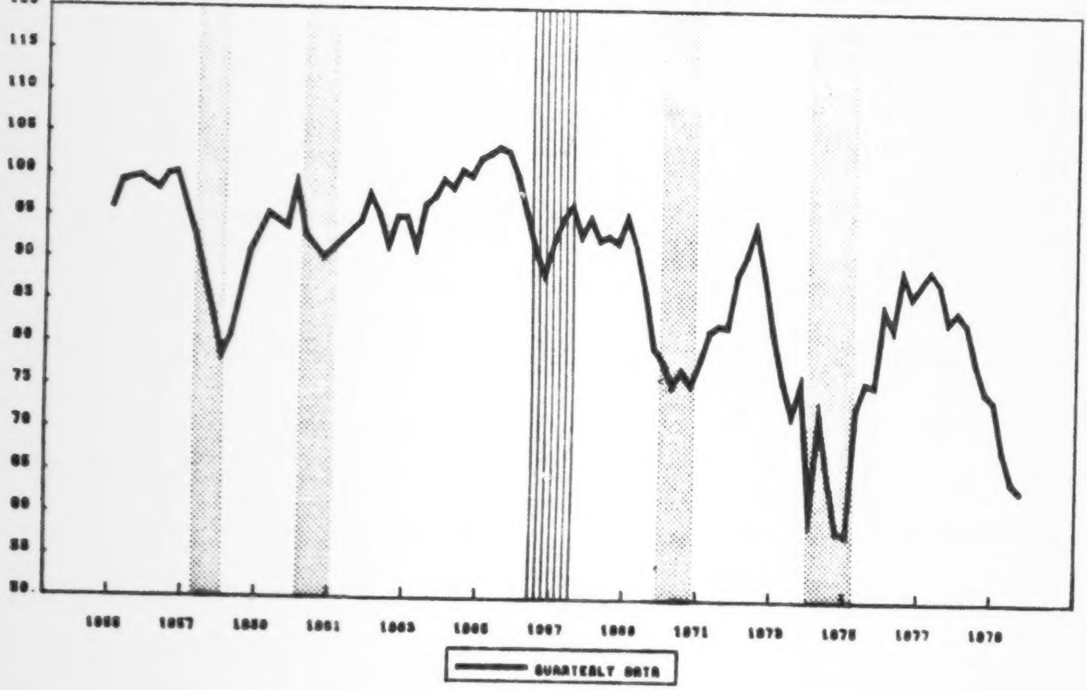

TABLE 1

THE INDEX OF CONSUMER SENTIMENT

DATE OF STUDY	ALL FAMILIES	INCOME $15,000+
FEBRUARY 1974	60.9	56.3
MAY 1974	72.0	65.4
AUG-SEPT. 1974	64.5	55.0
OCTOBER 1974	58.4	55.4
FEBRUARY 1975	58.0	53.6
MAY 1975	72.9	66.2
AUG-SEPT. 1975	75.8	71.1
OCT-NOV. 1975	75.4	70.6
FEBRUARY 1976	84.5	78.1
MAY 1976	82.2	82.5
AUG-SEPT. 1976	88.8	87.3
NOV-DEC. 1976	86.0	80.9
FEBRUARY 1977	87.5	87.3
MAY 1977	89.1	84.0
AUG-SEPT. 1977	87.6	85.3
NOV-DEC. 1977	83.1	81.1
JANUARY 1978	83.7	80.3
FEBRUARY 1978	84.3	83.2
MARCH 1978	78.8	74.3
APRIL 1978	81.6	80.4
MAY 1978	82.9	74.7
JUNE 1978	80.0	77.8
JULY 1978	82.4	79.6
AUGUST 1978	78.4	72.5
SEPTEMBER 1978	80.4	76.1
OCTOBER 1978	79.3	76.1
NOVEMBER 1978	75.0	67.7
DECEMBER 1978	66.1	61.2
JANUARY 1979	72.1	68.4
FEBRUARY 1979	73.9	70.9
MARCH 1979	68.4	65.2
APRIL 1979	66.0	61.4
MAY 1979	68.1	62.1
JUNE 1979	65.8	60.1
JULY 1979	60.4	55.7
AUGUST 1979	64.5	59.1
SEPTEMBER 1979	66.7	58.5
OCTOBER 1979	62.1	56.5
NOVEMBER 1979	63.3	57.2
DECEMBER 1979	61.0	55.1
JANUARY 1980	67.0	58.7

TABLE 3
COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT **

DATE	1*	2*	3*	4*	5*	CURRENT (1,5)	EXPECTED (2,3,4)
FEBRUARY 1976	103	124	118	79	128	90.2	81.0
MAY 1976	100	118	120	76	124	87.5	78.9
AUG-SEPT. 1976	105	119	127	92	139	95.1	84.9
NOV-DEC. 1976	96	115	117	105	129	87.9	84.5
FEBRUARY 1977	99	121	115	97	141	93.6	84.5
MAY 1977	108	115	118	92	149	100.0	81.8
AUG-SEPT. 1977	107	116	115	86	149	99.7	79.8
NOV-DEC. 1977	107	107	104	84	139	95.9	74.5
JANUARY 1978	105	114	106	80	142	96.2	75.7
FEBRUARY 1978	106	109	108	89	139	95.4	77.1
MARCH 1978	100	107	91	77	140	93.2	69.5
APRIL 1978	104	112	98	71	148	97.9	71.1
MAY 1978	105	111	99	79	147	98.2	73.0
JUNE 1978	107	102	97	71	146	98.4	68.1
JULY 1978	108	111	105	69	146	98.7	71.9
AUGUST 1978	102	112	82	70	145	96.1	67.0
SEPTEMBER 1978	109	108	96	71	140	96.9	69.7
OCTOBER 1978	96	104	103	77	138	91.2	71.6
NOVEMBER 1978	106	105	74	67	135	94.1	62.8
DECEMBER 1978	95	97	61	53	123	85.2	53.7
JANUARY 1979	100	99	72	58	138	93.3	58.4
FEBRUARY 1979	99	98	75	71	138	92.2	62.2
MARCH 1979	96	99	57	53	138	91.2	53.7
APRIL 1979	85	90	63	56	134	85.9	53.3
MAY 1979	91	95	58	62	136	88.7	54.9
JUNE 1979	92	91	54	55	134	88.2	51.4
JULY 1979	89	92	39	40	130	85.7	44.2
AUGUST 1979	95	98	46	48	131	88.2	49.3
SEPTEMBER 1979	90	98	60	51	133	87.1	53.6
OCTOBER 1979	82	96	48	49	126	81.6	49.5
NOVEMBER 1979	86	97	52	54	120	80.9	52.0
DECEMBER 1979	81	99	52	50	112	75.7	52.0
JANUARY 1980	96	106	58	47	127	87.1	54.1

PERSONAL FINANCIAL ATTITUDES
- 1* BETTER OR WORSE OFF THAN A YEAR AGO
- 2* EXPECT TO BE BETTER OR WORSE OFF IN A YEAR

EXPECTED BUSINESS CONDITIONS
- 3* NEXT 12 MONTHS
- 4* NEXT 5 YEARS

MARKET CONDITIONS
- 5* BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

**PERCENT SAYING "GOOD TIMES" (OR "BETTER"), MINUS PERCENT SAYING "BAD TIMES" (OR "WORSE"), PLUS 100.

CHART 4 - RECENT CHANGES
CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

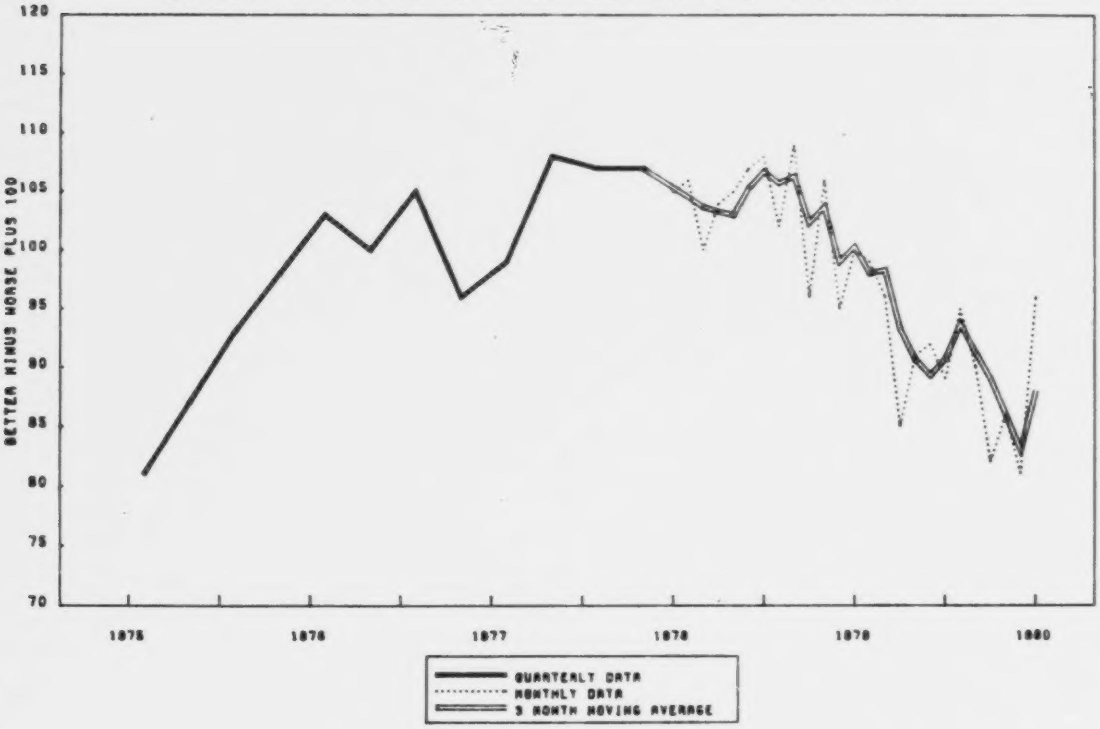

CHART 4 - HISTORICAL SERIES
CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

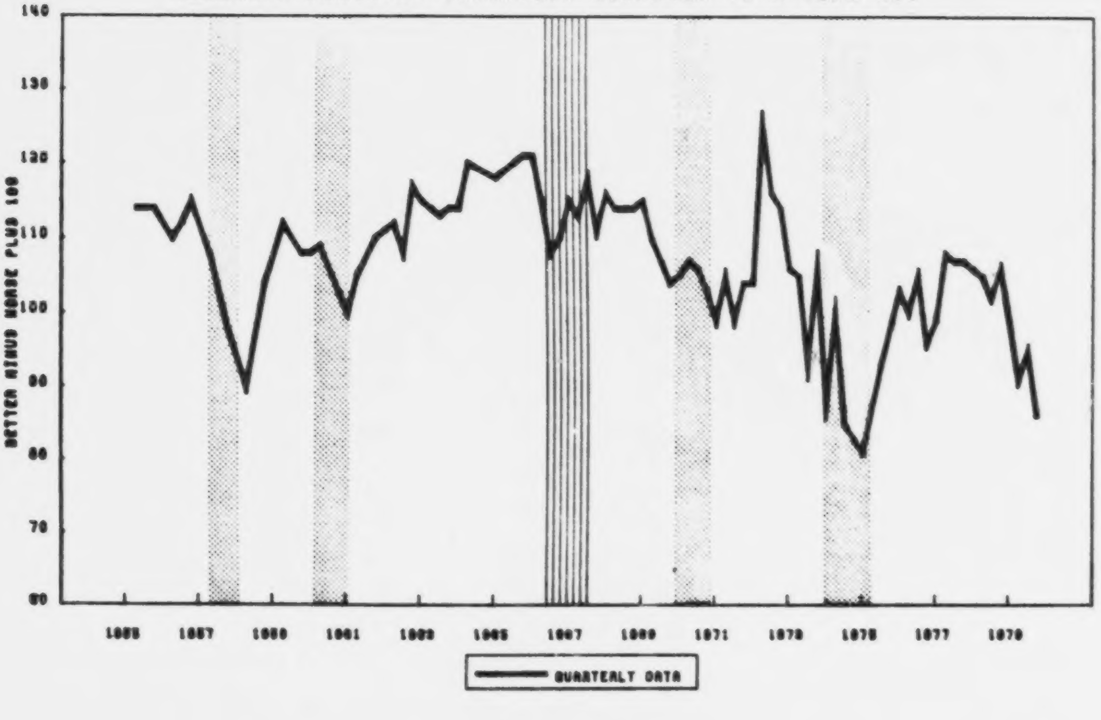

TABLE 4

CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980
BETTER OFF	38%	34%	32%	30%	31%	34%	31%	33%	31%	28%	30%	27%	34%
SAME	23	30	32	24	29	24	27	28	27	26	25	26	28
WORSE OFF	38	35	36	45	40	42	42	38	41	46	44	46	38
DK, NA	1	1	*	1	*	*	*	1	1	*	1	1	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

* = LESS THAN HALF OF ONE PERCENT.

THE QUESTION WAS: "WE ARE INTERESTED IN HOW PEOPLE ARE GETTING ALONG FINANCIALLY THESE DAYS. WOULD YOU SAY THAT YOU (AND YOUR FAMILY LIVING THERE) ARE BETTER OFF OR WORSE OFF FINANCIALLY THAN YOU WERE A YEAR AGO?"

TABLE 5

SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION NOW COMPARED TO A YEAR AGO

	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980
BETTER OFF BECAUSE:													
INCOME IS HIGHER	34%	28%	32%	33%	29%	32%	31%	29%	30%	28%	31%	28%	34%
WORSE OFF BECAUSE:													
INCOME IS LOWER	13	14	11	13	11	9	12	11	13	13	15	15	13
HIGHER PRICES	33	33	38	46	43	47	44	40	47	48	47	46	39

RESPONSES TO THE QUERY "WHY DO YOU SAY SO?" FOLLOWING THE QUESTION NOTED IN THE PREVIOUS TABLE.

CHART 6 - RECENT CHANGES
EXPECTED CHANGE IN FINANCIAL SITUATION

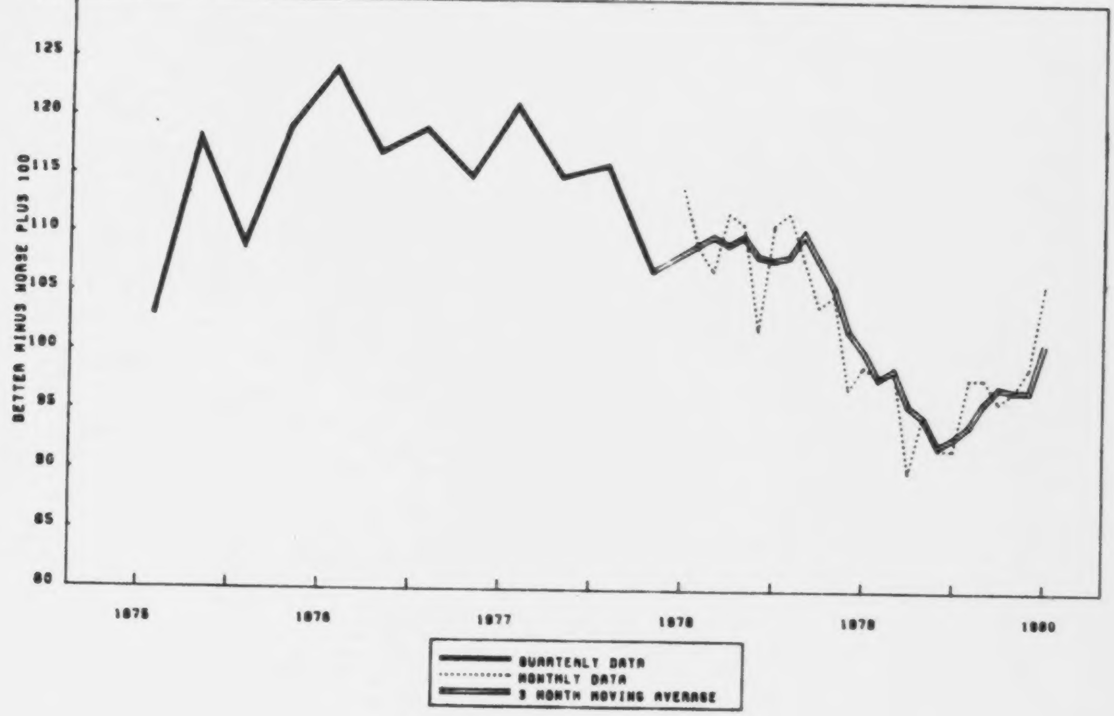

CHART 6 - HISTORICAL SERIES
EXPECTED CHANGE IN FINANCIAL SITUATION

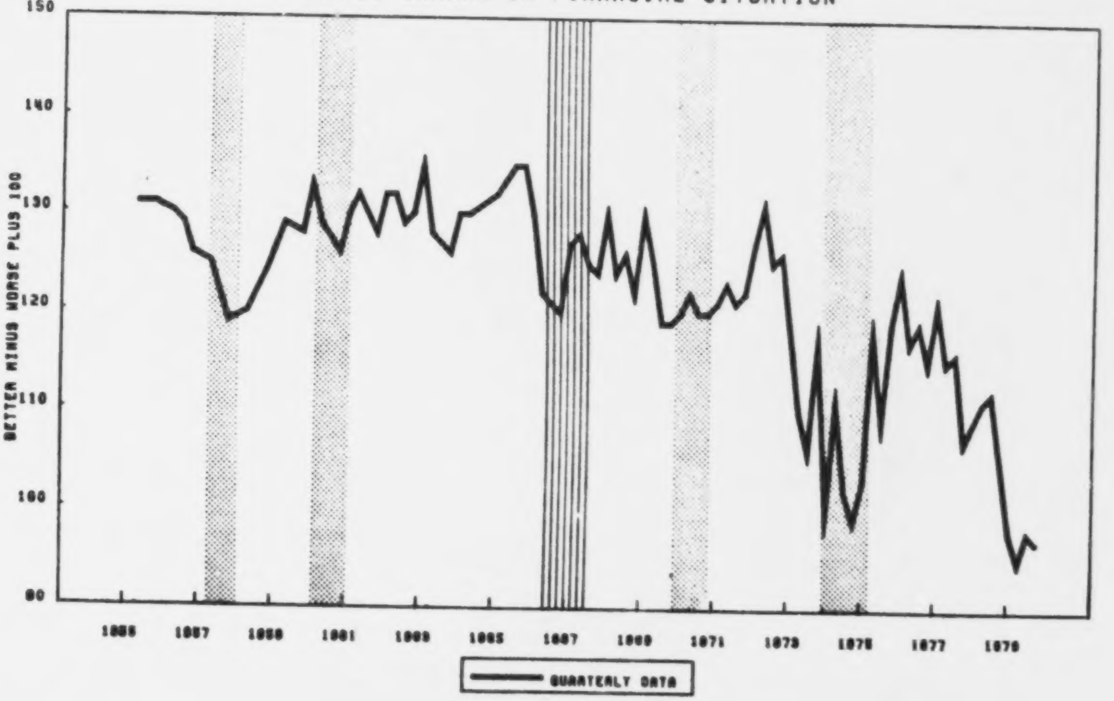

TABLE 6

EXPECTED CHANGE IN FINANCIAL SITUATION

	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980
BETTER OFF	22%	24%	24%	21%	21%	21%	20%	23%	24%	24%	21%	25%	28%
SAME	51	45	48	45	49	46	49	50	47	45	53	44	46
WORSE OFF	23	26	25	31	26	29	28	25	26	28	24	26	22
DK/NA	4	5	3	3	4	4	3	2	3	3	2	5	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "NOW LOOKING AHEAD - DO YOU THINK THAT A YEAR FROM NOW YOU (AND YOUR FAMILY LIVING THERE) WILL BE BETTER OFF FINANCIALLY, OR WORSE OFF, OR JUST ABOUT THE SAME AS NOW?"

CHART 7 - RECENT CHANGES
TREND IN PERSONAL FINANCIAL SITUATION

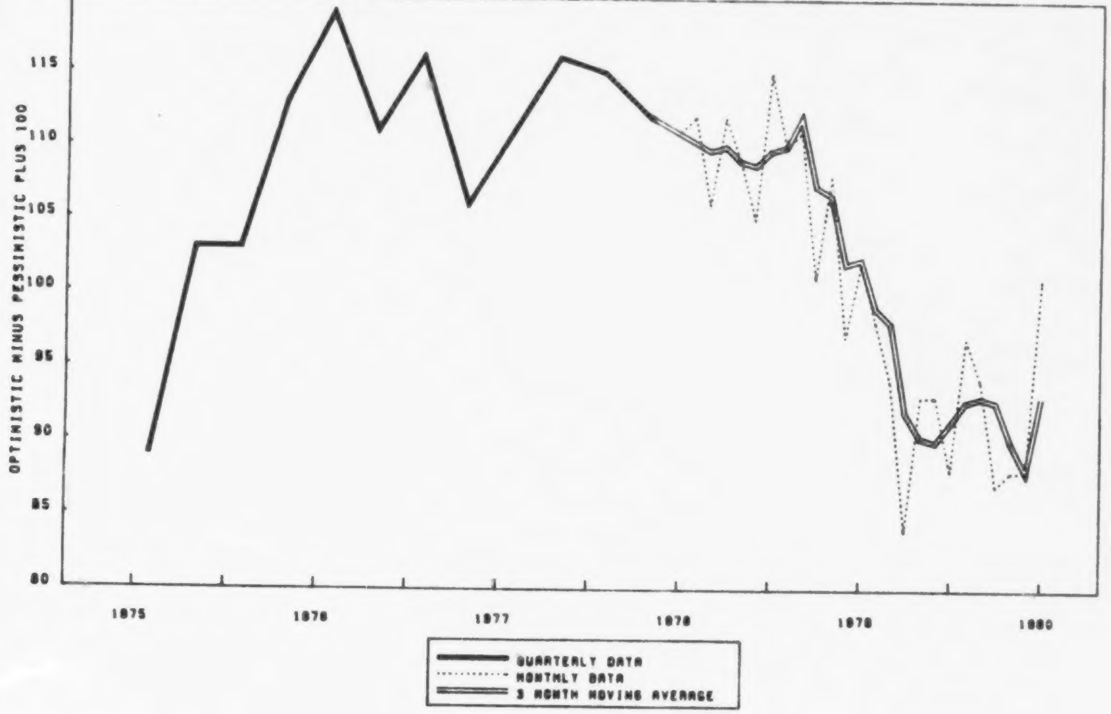

CHART 7 - HISTORICAL SERIES
TREND IN PERSONAL FINANCIAL SITUATION

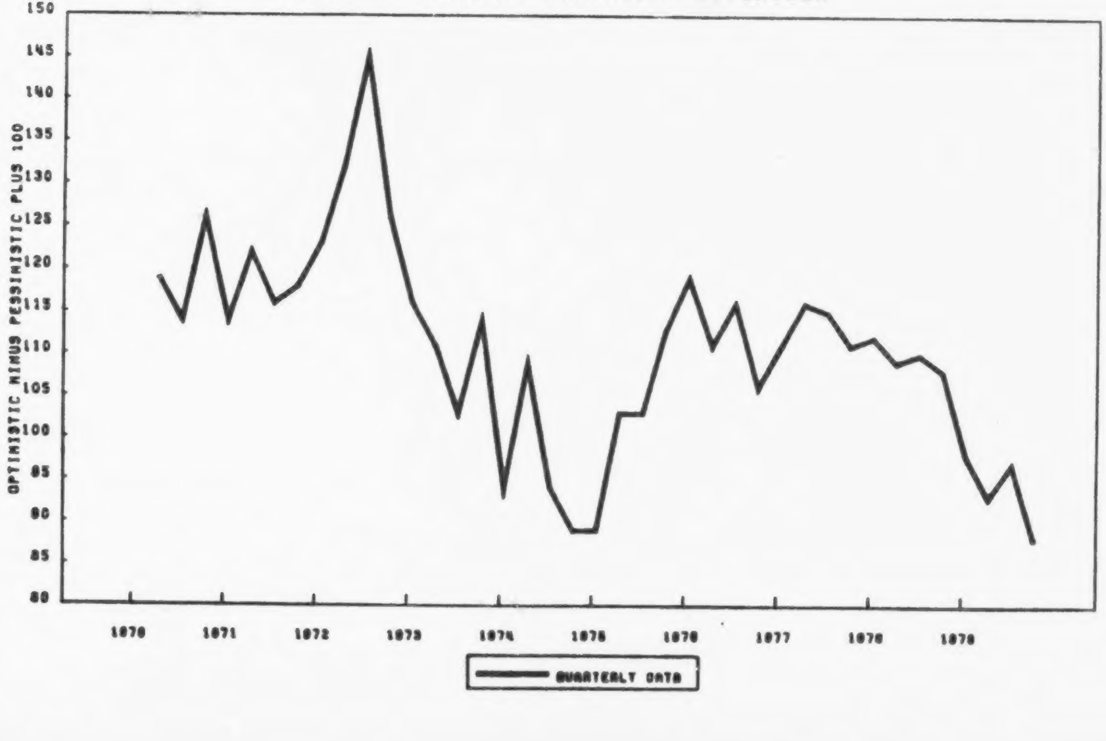

TABLE 7

TREND IN PERSONAL FINANCIAL SITUATION

	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980
B/B+	14%	13%	15%	13%	9%	11%	11%	13%	11%	11%	11%	12%	15%
B/S, S/B	24	20	17	17	21	22	19	21	20	18	19	17	21
S/S	15	17	18	13	17	13	16	17	16	14	16	14	16
W/S, S/W	20	20	24	26	21	21	24	22	21	23	26	23	20
W/W	16	15	14	20	17	19	18	15	16	19	16	18	13
W/B, B/W	8	10	8	8	10	10	8	9	13	12	10	12	11
DK, NA	3	5	4	3	5	4	4	3	3	3	2	4	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

KEY: B=BETTER, S=SAME, W=WORSE; DK=DON'T KNOW, NA=NOT ASCERTAINED,
+ = BETTER THAN A YEAR AGO/WILL BE BETTER A YEAR FROM NOW.

TABLE 10

EXPECT INCOME OR PRICES UP MORE NEXT YEAR

	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980
INCOME UP MORE	9%	10%	9%	10%	11%	9%	11%	12%	9%	9%	10%	10%	8%
INCOME UP SAME	35	35	35	30	36	35	32	34	35	35	38	35	36
PRICES UP MORE	51	49	52	56	48	53	55	50	53	52	49	51	52
DK, NA	5	6	4	4	5	3	2	4	3	4	3	4	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "HOW ABOUT IN THE NEXT YEAR OR TWO — DO YOU EXPECT YOUR (FAMILY) INCOME WILL GO UP MORE THAN PRICES WILL GO UP, ABOUT THE SAME, OR LESS THAN PRICES WILL GO UP?"

CHART 11 - RECENT CHANGES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

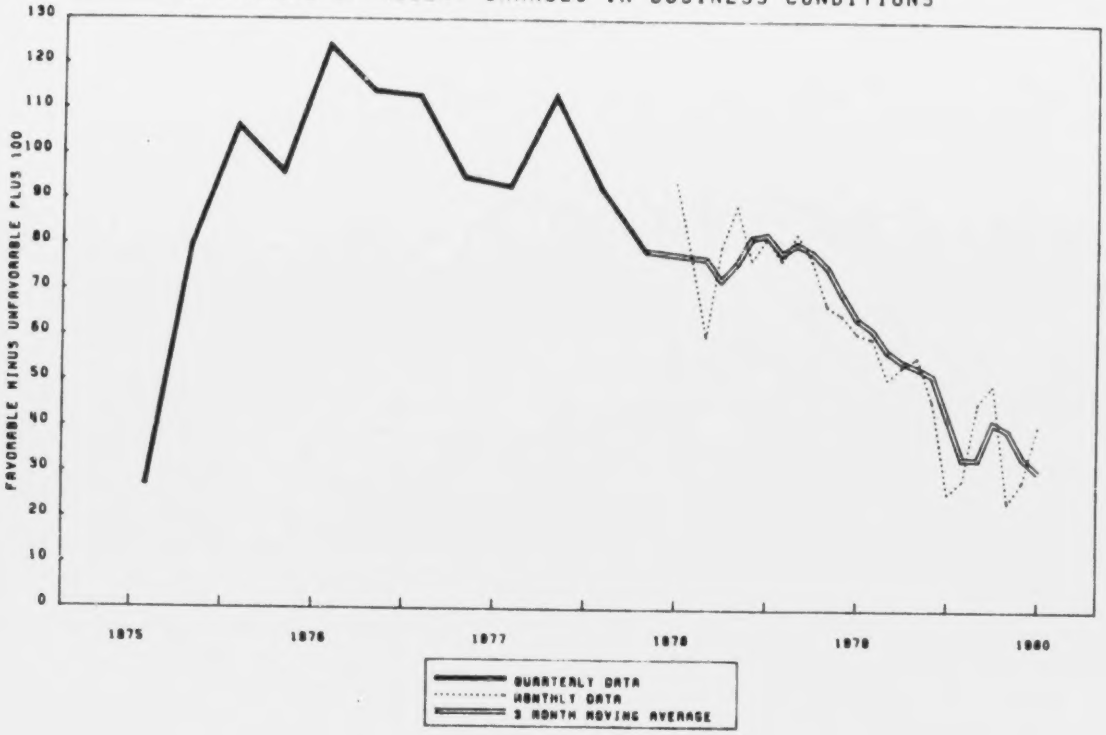

CHART 11 - HISTORICAL SERIES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

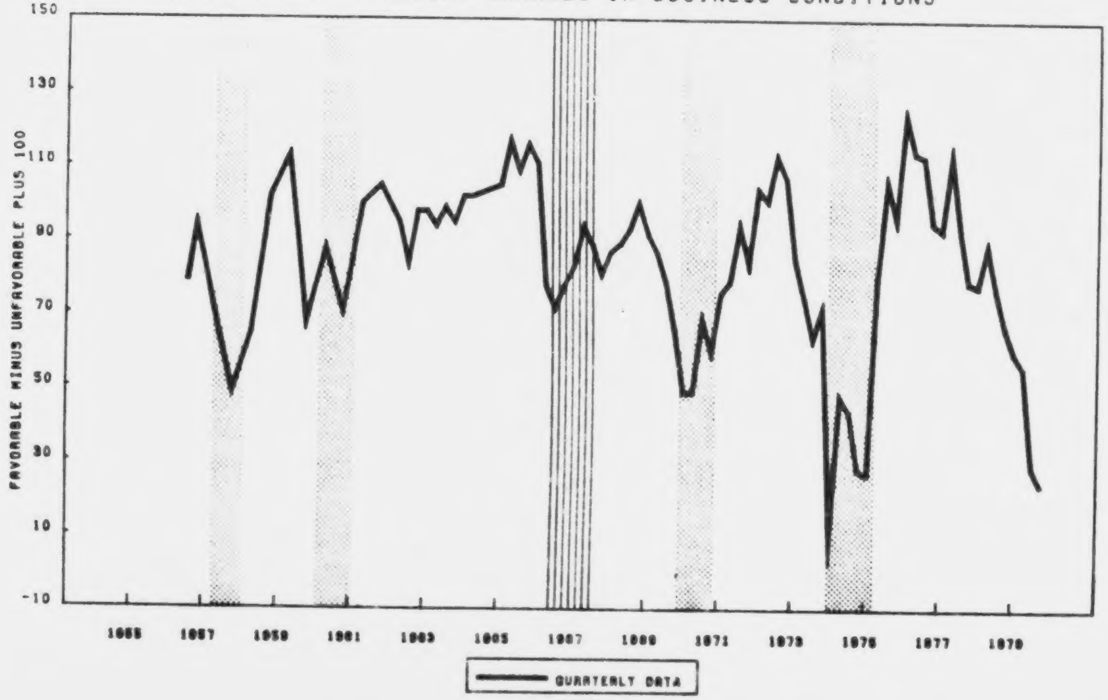

TABLE 11

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980
FAVORABLE NEWS	15%	21%	13%	18%	18%	13%	12%	15%	11%	13%	11%	10%	17%
UNFAVORABLE NEWS	54	61	62	64	62	67	86	86	65	63	87	81	76
NO MENTIONS	47	45	44	40	46	43	33	34	47	47	38	41	39

ADDS TO MORE THAN 100% DUE TO RESPONDENTS MENTIONING TWO CHANGES.

THE QUESTIONS WERE: "DURING THE LAST FEW MONTHS, HAVE YOU HEARD OF ANY FAVORABLE OR UNFAVORABLE CHANGES IN BUSINESS CONDITIONS? WHAT DID YOU HEAR?"

CHART 12 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

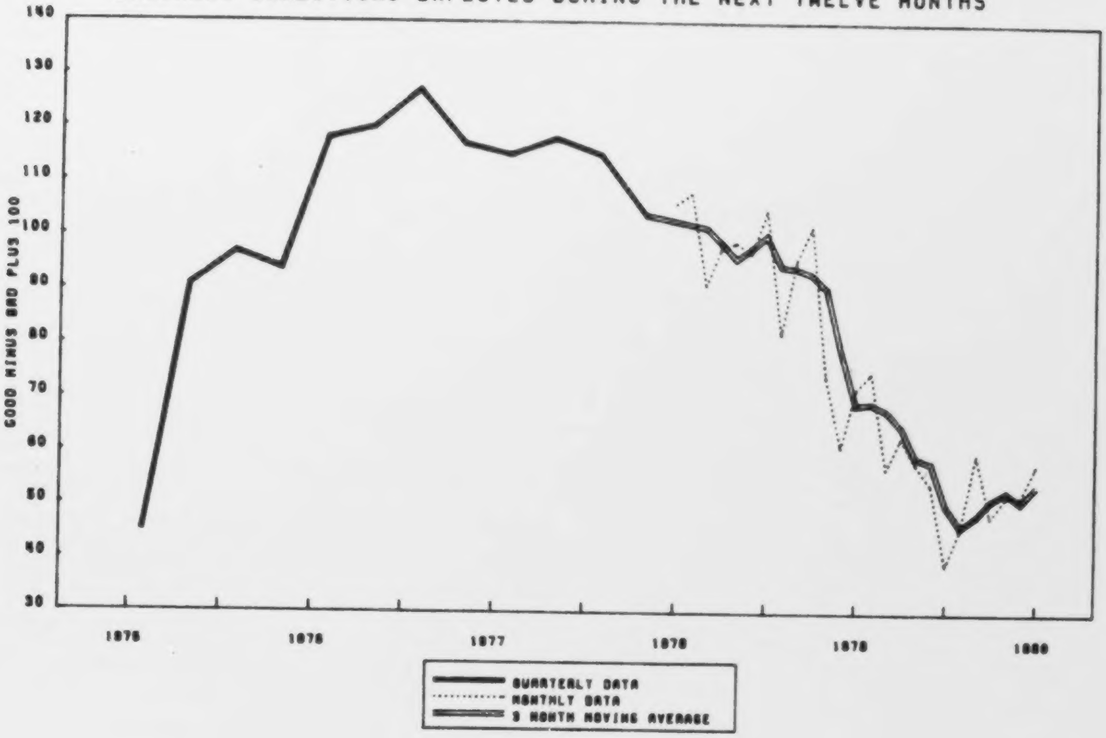

CHART 12 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

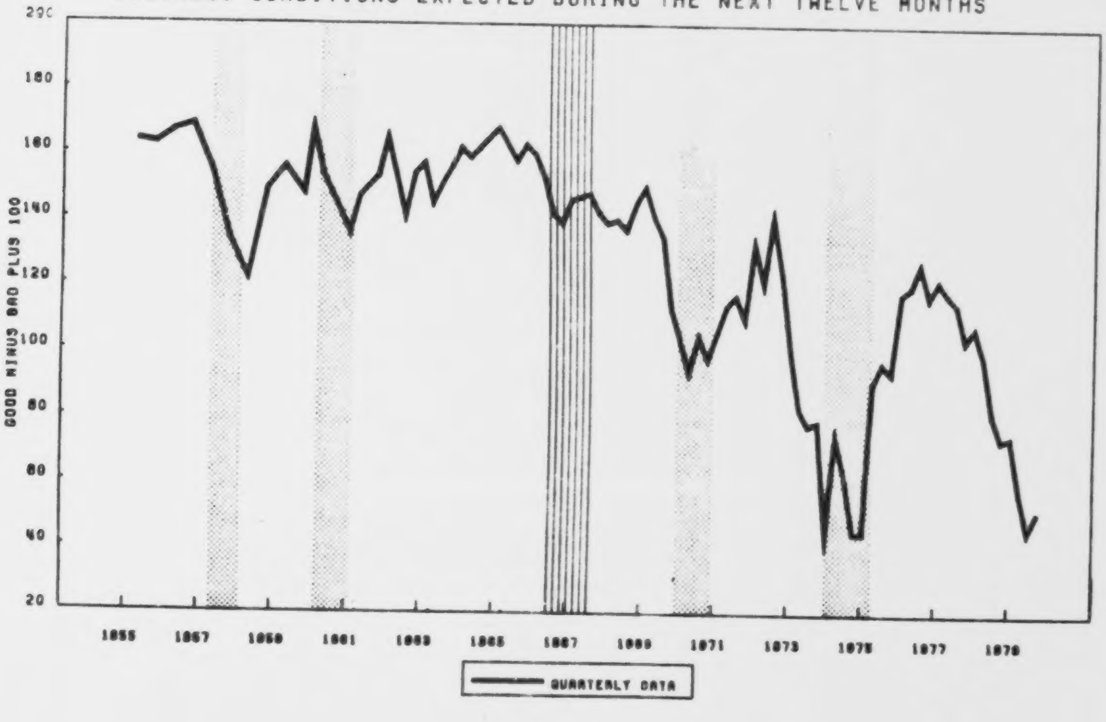

TABLE 12

BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980
GOOD TIMES	27%	29%	20%	24%	21%	20%	13%	17%	23%	18%	20%	20%	24%
GOOD IN SOME WAYS, BAD IN OTHERS	6	6	3	5	5	2	1	3	3	1	3	2	1
BAD TIMES	55	54	63	61	63	66	74	71	63	70	68	68	66
UNCERTAIN	6	8	8	5	4	5	4	5	5	5	4	4	4
NOT ASCERTAINED	6	3	6	5	7	7	8	4	6	6	5	6	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "NOW TURNING TO BUSINESS CONDITIONS IN THE COUNTRY AS A WHOLE -- DO YOU THINK THAT DURING THE NEXT 12 MONTHS WE'LL HAVE GOOD TIMES FINANCIALLY OR BAD TIMES, OR WHAT?

CHART 13 - RECENT CHANGES
CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

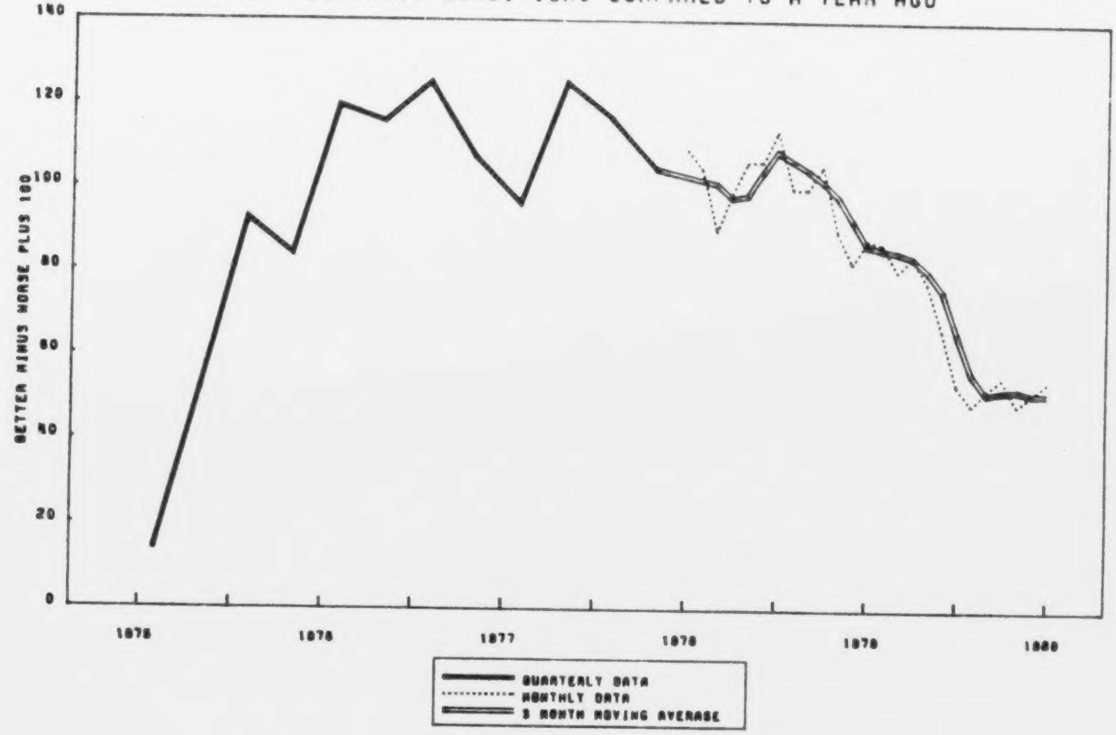

CHART 13 - HISTORICAL SERIES
CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

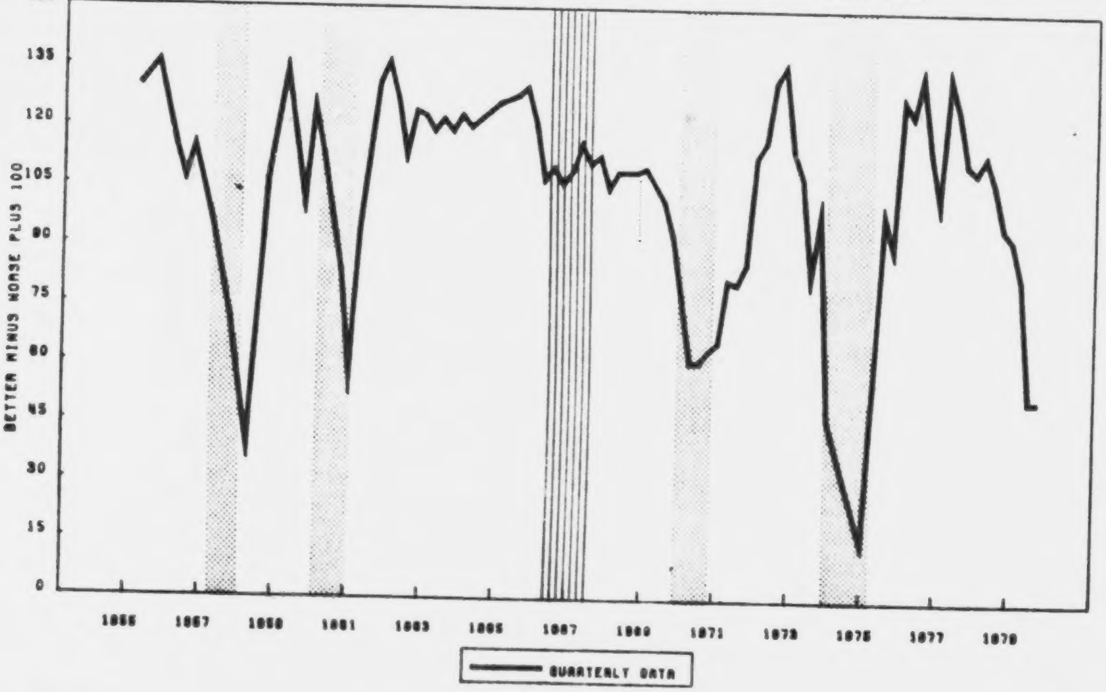

TABLE 13

CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980
BETTER NOW	38%	37%	33%	36%	33%	27%	22%	20%	22%	22%	19%	21%	21%
SAME	14	15	16	13	15	13	10	10	9	12	12	12	15
WORSE NOW	44	44	47	46	50	56	65	68	66	63	67	66	62
DK, NA	4	4	4	5	2	4	3	2	3	3	2	1	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "WOULD YOU SAY THAT AT THE PRESENT TIME BUSINESS CONDITIONS ARE BETTER OR WORSE THAN THEY WERE A YEAR AGO?"

CHART 14 - RECENT CHANGES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

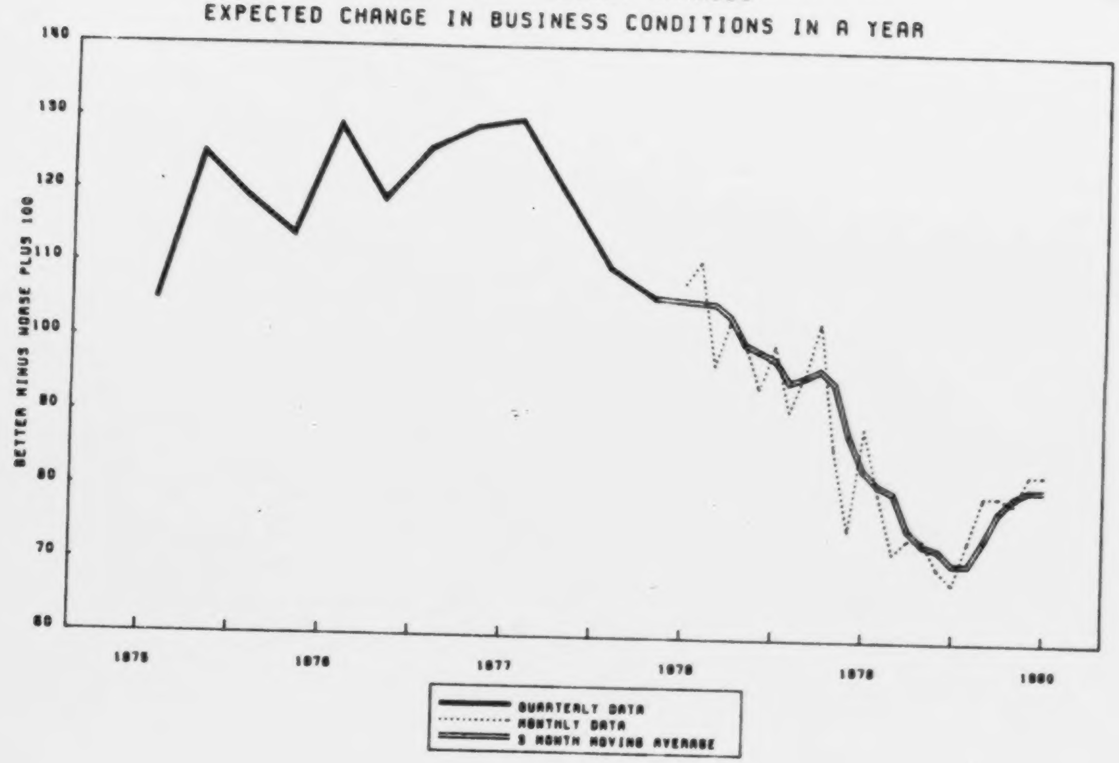

CHART 14 - HISTORICAL SERIES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

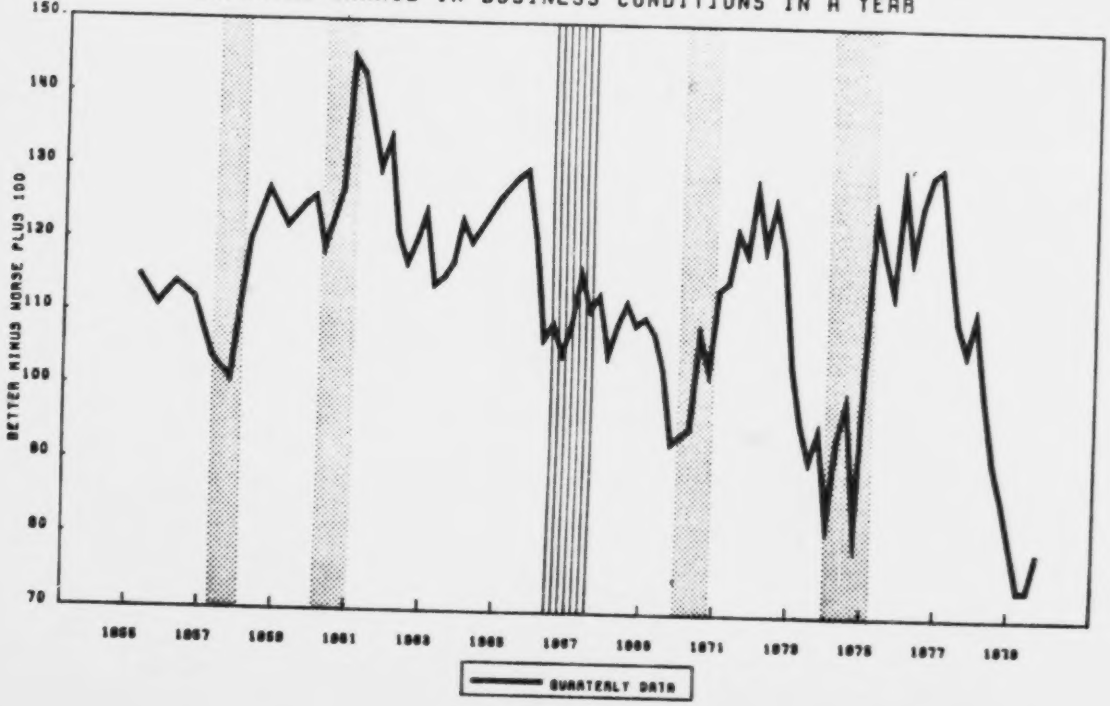

TABLE 14

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980
BETTER	19%	14%	10%	12%	11%	12%	11%	13%	15%	15%	15%	18%	17%
SAME	48	48	47	45	49	42	43	46	46	47	47	43	44
WORSE	30	34	38	38	37	42	43	39	35	35	36	35	35
DK, NA	3	4	5	5	3	4	3	2	4	3	2	4	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "AND HOW ABOUT A YEAR FROM NOW, DO YOU EXPECT THAT IN THE COUNTRY AS A WHOLE BUSINESS CONDITIONS WILL BE BETTER OR WORSE THAN THEY ARE AT PRESENT, OR JUST ABOUT THE SAME?"

CHART 15 - RECENT CHANGES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

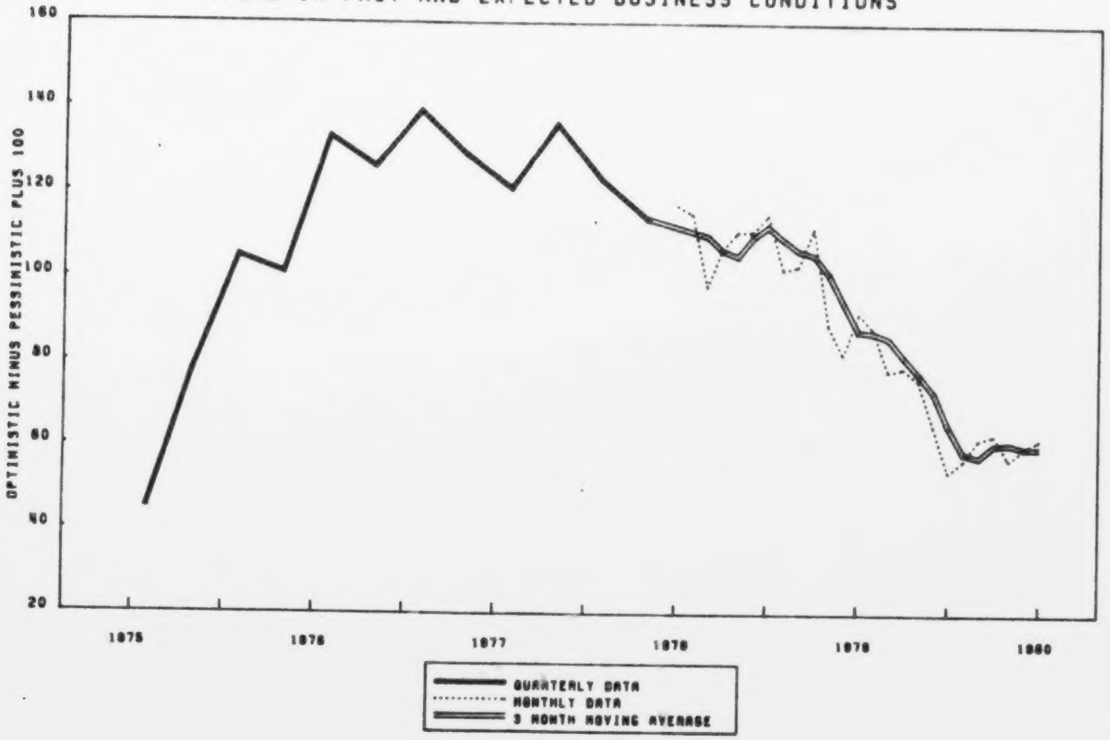

CHART 15 - HISTORICAL SERIES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

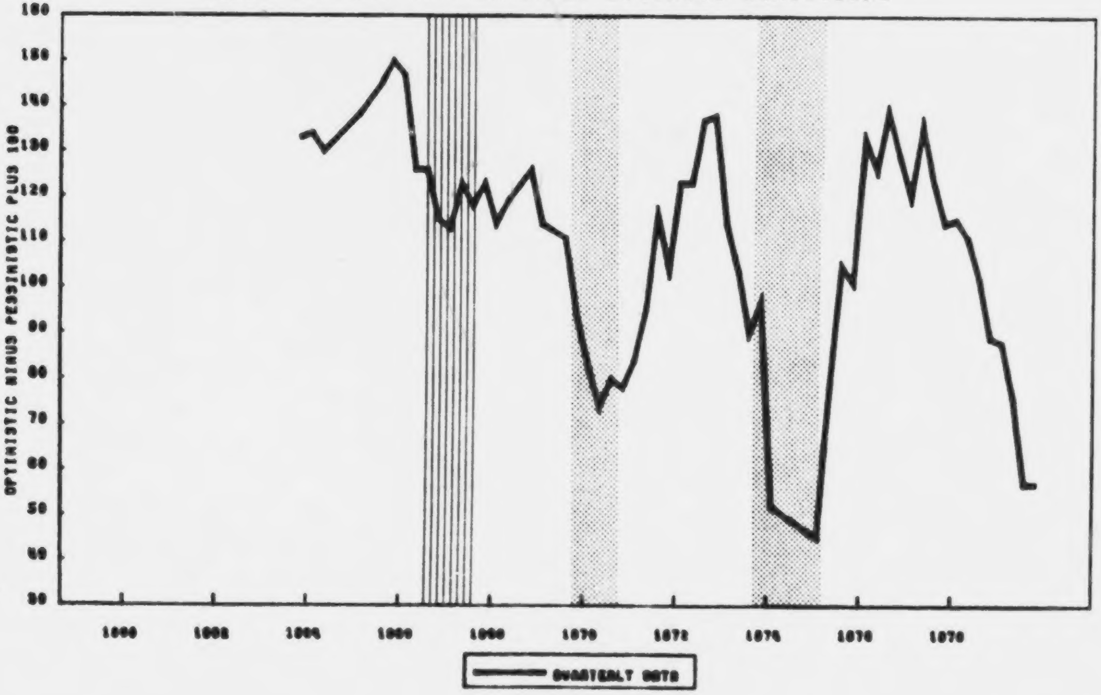

TABLE 15

TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980
B/B+	10%	9%	5%	8%	7%	6%	3%	4%	5%	6%	4%	6%	6%
B/S, S/B	23	21	20	17	17	13	13	13	14	13	12	11	10
S/S	8	9	8	8	10	7	5	5	5	7	8	6	9
W/S, S/W	21	20	23	23	25	27	29	30	30	31	30	29	30
W/W	20	22	24	23	23	28	33	31	27	26	29	28	24
W/B, B/W	13	12	11	14	13	12	13	12	13	11	14	14	16
DK, NA	5	7	9	7	5	7	4	5	6	6	3	6	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

KEY: B=BETTER, S=SAME, W=WORSE, DK=DON'T KNOW, NA=NOT ASCERTAINED,

+ = BETTER THAN A YEAR AGO/WILL BE BETTER A YEAR FROM NOW.

CHART 16 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

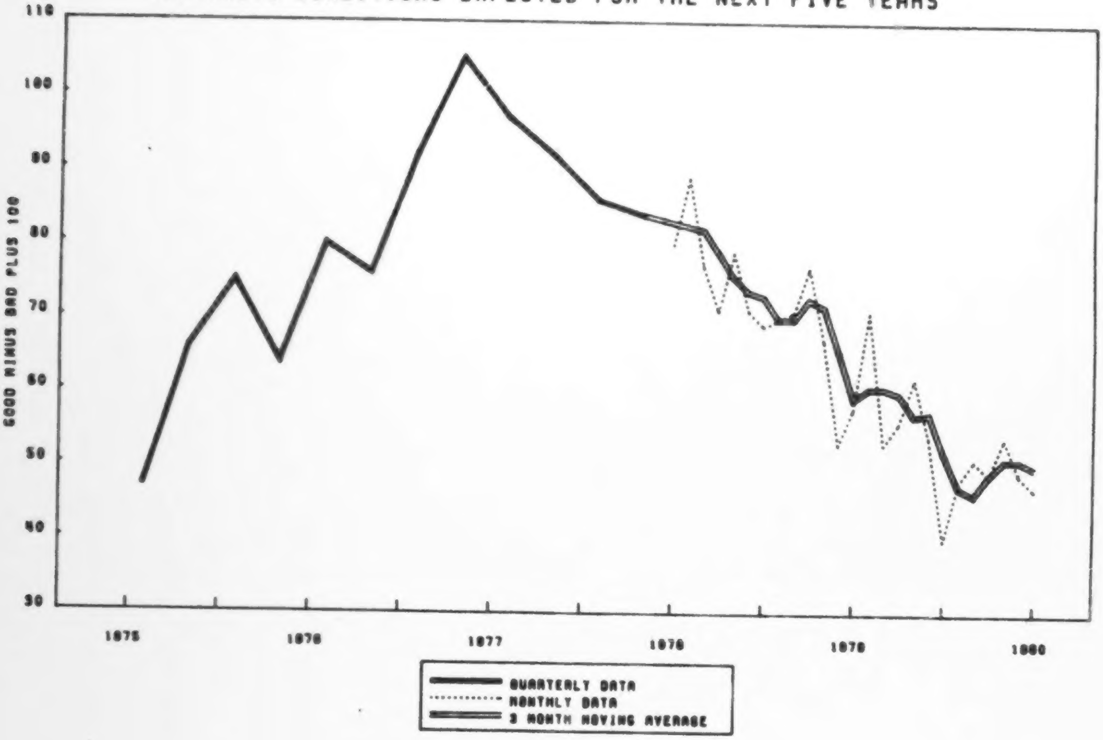

CHART 16 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

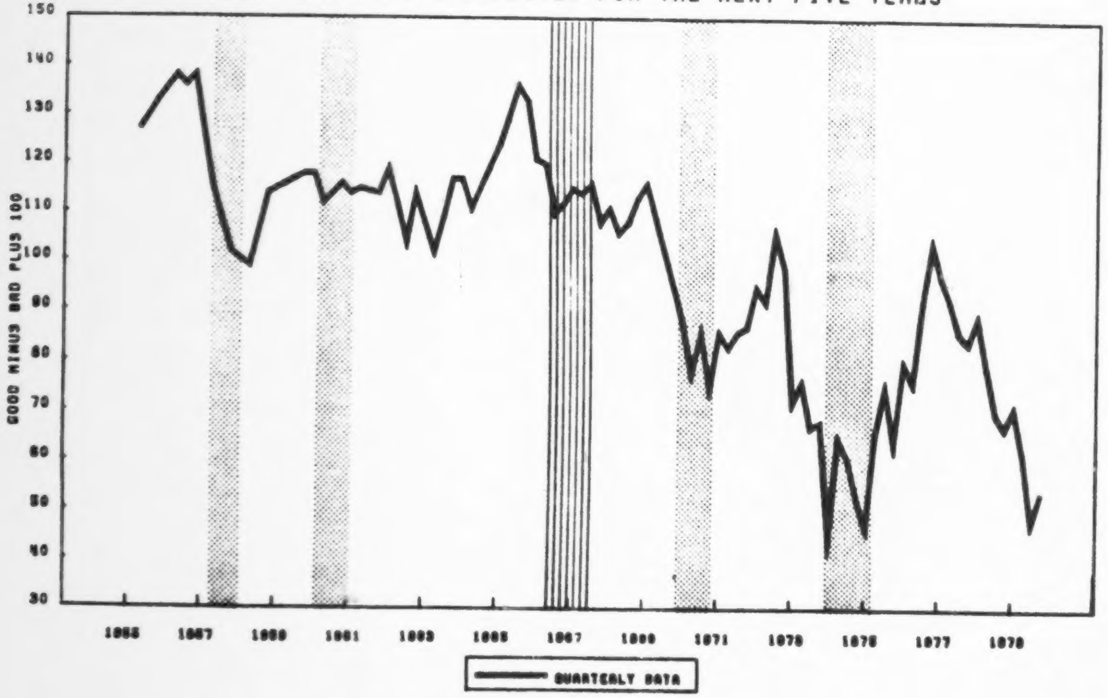

TABLE 16

BUSINESS CONDITIONS EXPECTED FOR NEXT FIVE YEARS

	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980
GOOD TIMES	18%	23%	16%	18%	19%	14%	10%	14%	16%	16%	18%	15%	17%
UNCERTAIN, GOOD & BAD	17	18	14	13	17	16	14	15	16	13	12	14	8
BAD TIMES	60	52	63	62	57	60	70	66	65	67	64	66	70
NA	5	7	7	7	7	10	6	5	3	4	6	5	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	

THE QUESTION WAS: "LOOKING AHEAD, WHICH WOULD YOU SAY IS MORE LIKELY -- THAT IN THE COUNTRY AS A WHOLE WE'LL HAVE CONTINUOUS GOOD TIMES DURING THE NEXT 5 YEARS OR SO, OR THAT WE WILL HAVE PERIODS OF WIDESPREAD UNEMPLOYMENT OR DEPRESSION, OR WHAT?"

CHART 17 - RECENT CHANGES
EXPECTED CHANGE IN INTEREST RATES

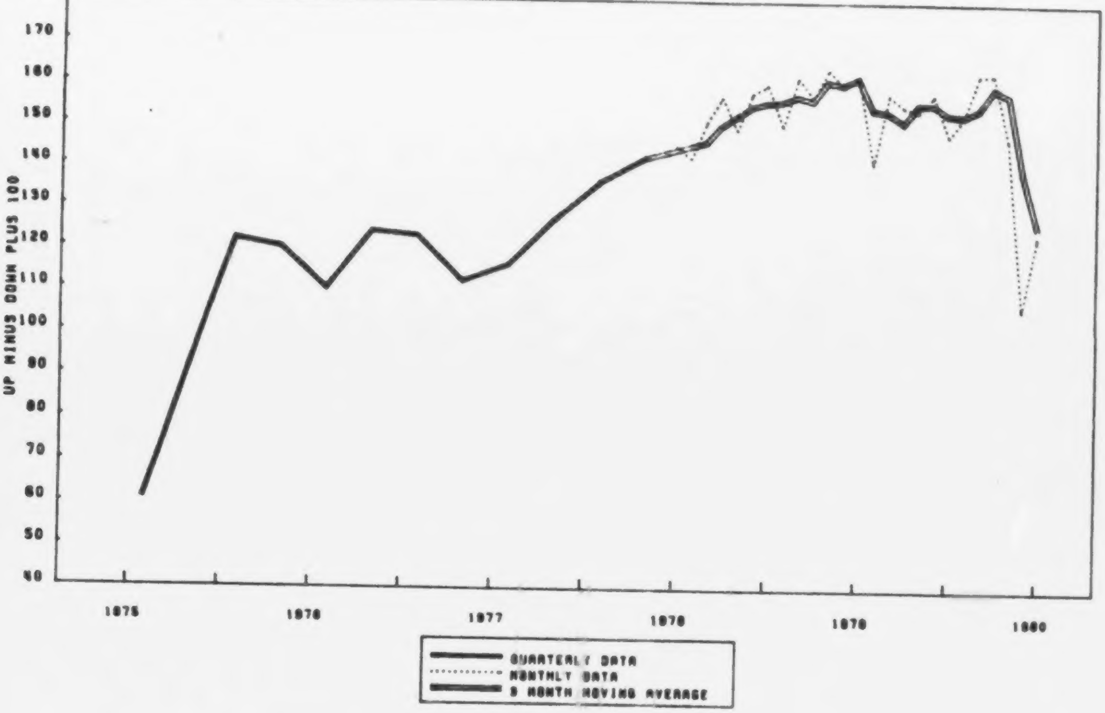

CHART 17 - HISTORICAL SERIES
EXPECTED CHANGE IN INTEREST RATES

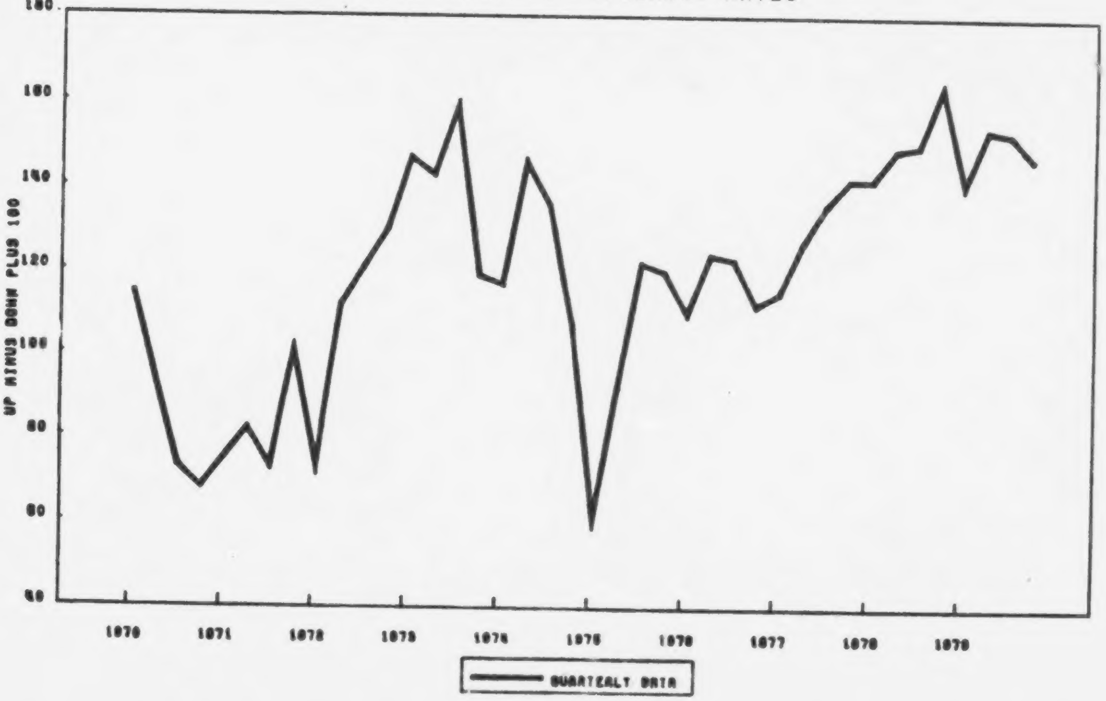

TABLE [illegible]

EXPECTED CHANGE IN INTEREST RATES

	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980
GO UP	69%	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	45%
STAY THE SAME	[illegible]	[illegible]	[illegible]	25	[illegible]	[illegible]	25	26	20	[illegible]	20	22	30
GO DOWN	7	[illegible]	7	8	[illegible]	8	13	8	7	7	15	35	21
DK, NA	4	6	[illegible]	3	5	[illegible]	3	5	2	3	3	[illegible]	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "NO ONE CAN SAY FOR SURE, BUT WHAT DO YOU THINK WILL HAPPEN TO INTEREST RATES FOR [illegible] DURING THE NEXT 12 MONTHS?"

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CHART 18 - RECENT CHANGES
EXPECTED CHANGE IN UNEMPLOYMENT

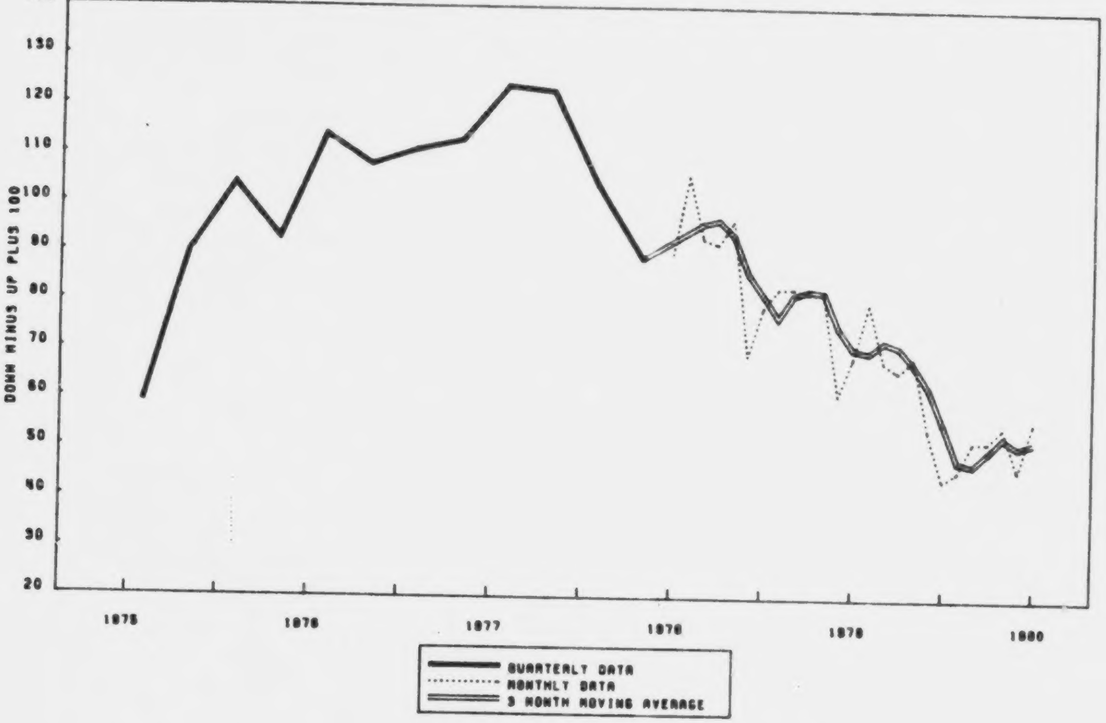

CHART 18 - HISTORICAL SERIES
EXPECTED CHANGE IN UNEMPLOYMENT

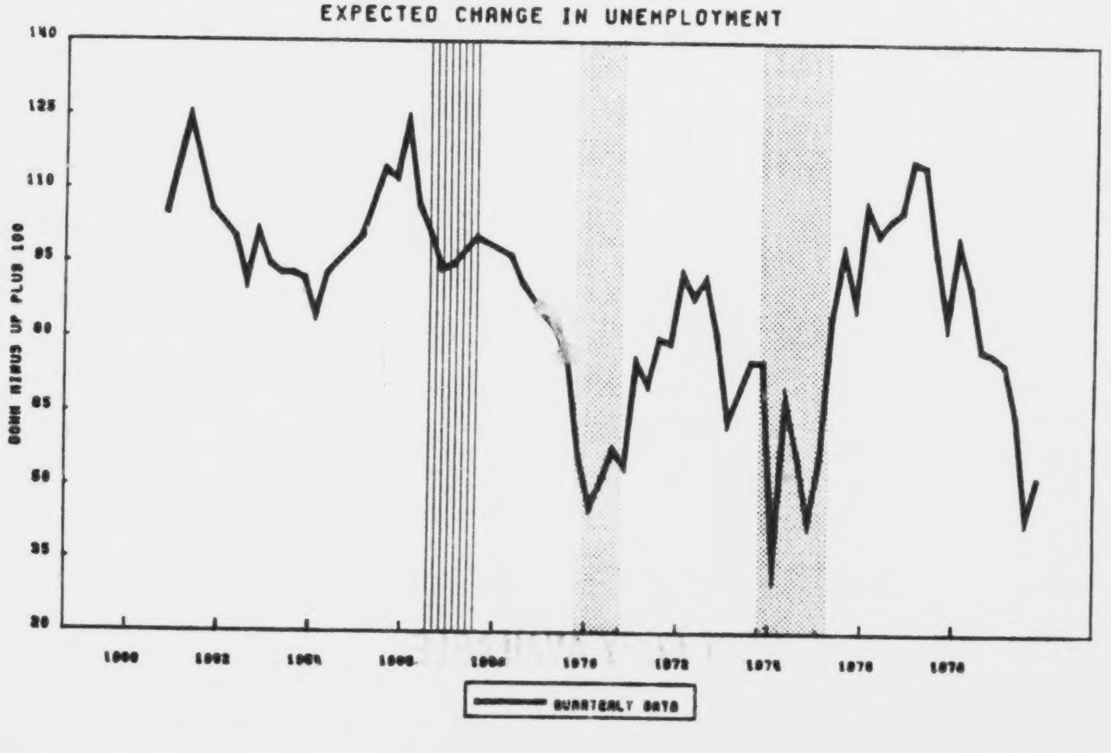

TABLE 18

EXPECTED CHANGE IN UNEMPLOYMENT

	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980
LESS	10%	14%	9%	11%	9%	6%	6%	7%	7%	7%	9%	7%	9%
SAME	45	50	46	41	46	39	31	30	36	36	35	30	34
MORE	41	34	41	45	40	52	62	61	55	55	54	61	54
DK, NA	4	2	4	3	5	3	1	2	2	2	2	2	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: " HOW ABOUT PEOPLE OUT OF WORK DURING THE COMING 12 MONTHS -- DO YOU THINK THAT THERE WILL BE MORE UNEMPLOYMENT THAN NOW, ABOUT THE SAME, OR LESS?"

CHART 19 - RECENT CHANGES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

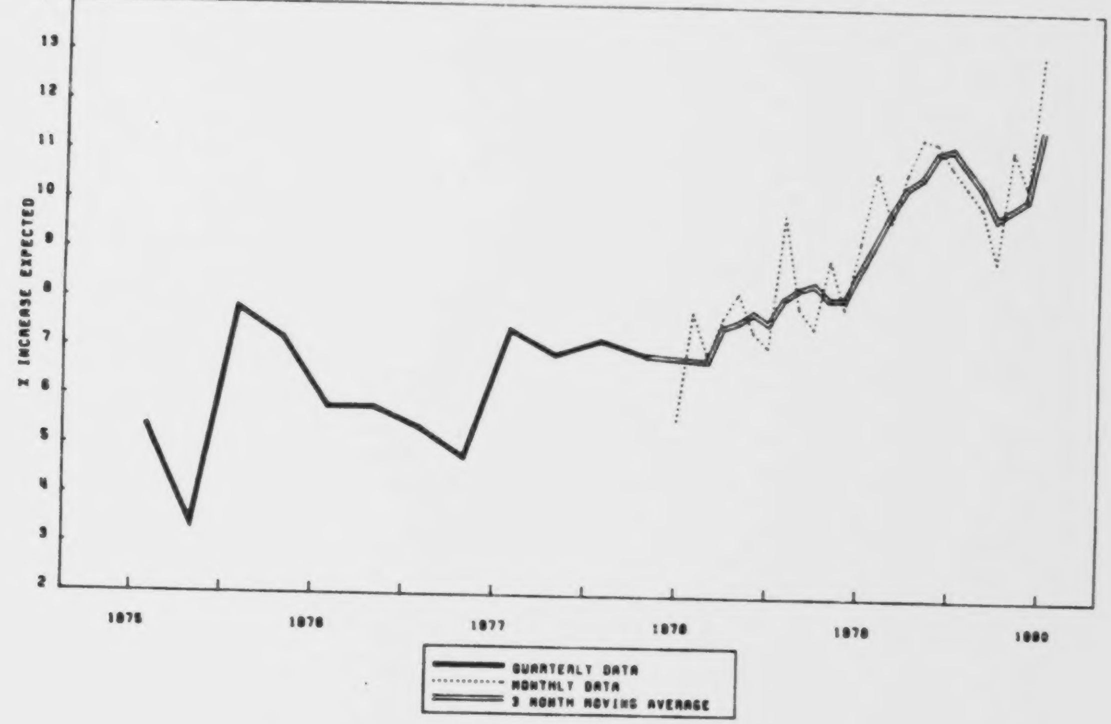

CHART 19 - HISTORICAL SERIES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

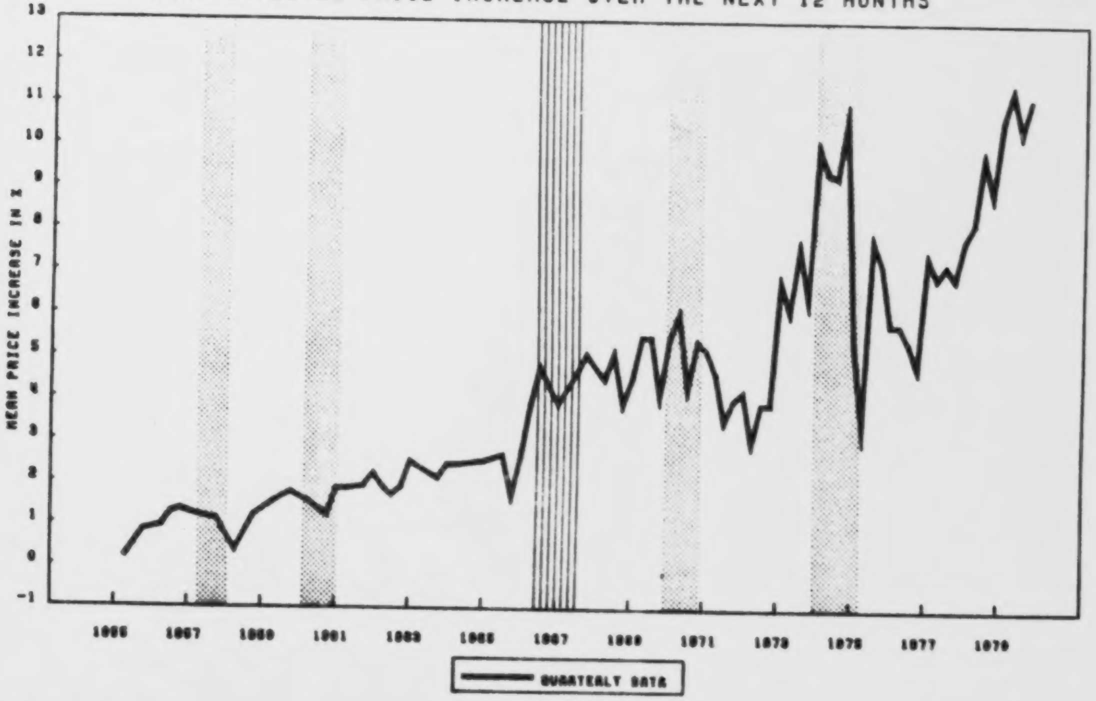

TABLE 19

EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980
SAME OR DOWN	8%	11%	4%	6%	8%	10%	12%	13%	12%	13%	12%	15%	9%
1 - 2% UP	4	2	5	4	3	3	2	2	5	4	2	2	2
3 - 4% UP	5	7	10	6	6	6	5	6	5	6	5	4	4
5% UP	10	9	8	11	10	8	10	9	8	10	7	7	7
6 - 9% UP	25	18	18	14	15	14	12	12	14	14	13	12	12
10% OR MORE	29	39	36	43	45	47	45	47	41	36	48	47	53
DK HOW MUCH UP	18	12	18	15	12	10	11	10	13	16	12	10	11
DK, NA	1	2	1	1	1	2	3	1	2	1	1	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	9.3	10.7	9.7	10.7	11.4	11.3	10.8	10.4	10.0	8.9	11.2	10.4	13.1

THE QUESTIONS WERE: "DURING THE NEXT 12 MONTHS, DO YOU THINK THAT PRICES IN GENERAL WILL GO UP, OR GO DOWN, OR STAY WHERE THEY ARE NOW?" (IF WILL GO UP) "BY ABOUT WHAT PERCENT DO YOU EXPECT PRICES TO GO UP, ON THE AVERAGE, DURING THE NEXT TWELVE MONTHS?"

TABLE 20

UNEMPLOYMENT OR INFLATION MORE SERIOUS

	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980
UNEMPLOYMENT	24%	24%	27%	21%	18%	23%	26%	27%	26%	25%	24%	28%	26%
EQUALLY SERIOUS	6	7	7	5	9	8	10	9	7	8	8	10	7
INFLATION	66	67	63	71	68	67	62	63	65	65	65	60	64
DK, NA	4	2	3	3	5	2	2	1	2	2	3	2	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "WHICH OF THE TWO PROBLEMS -- UNEMPLOYMENT OR INFLATION -- DO YOU THINK WILL CAUSE THE MORE SERIOUS ECONOMIC HARDSHIP FOR PEOPLE DURING THE NEXT YEAR OR SO?"

CHART 21 - RECENT CHANGES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

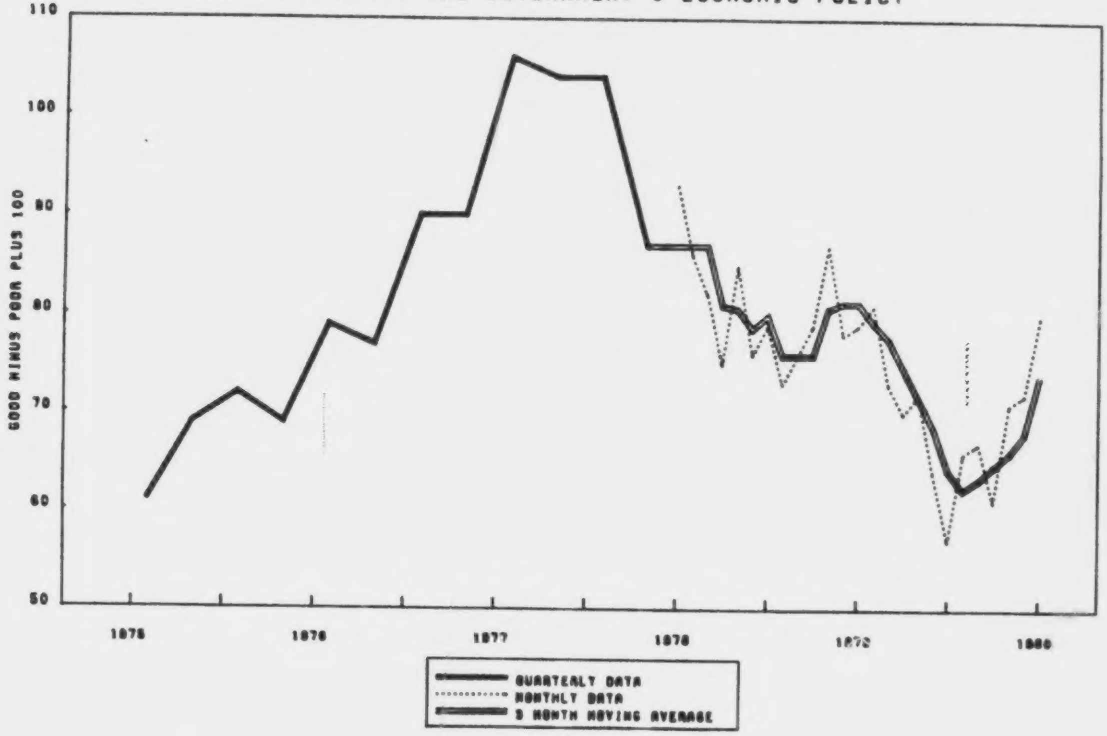

CHART 21 - HISTORICAL SERIES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

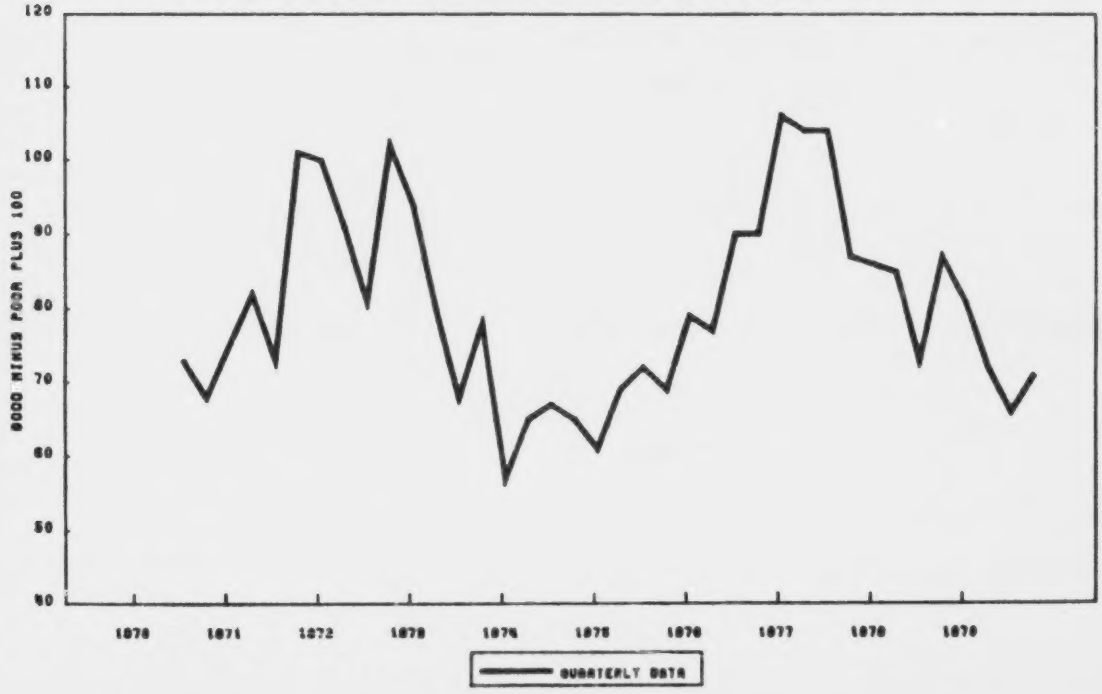

TABLE 21

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980
A GOOD JOB	9%	12%	9%	9%	10%	7%	5%	8%	7%	6%	10%	9%	11%
ONLY FAIR	55	54	50	48	48	47	43	48	51	46	47	50	54
A POOR JOB	30	31	36	39	38	43	48	42	40	45	39	37	31
DK, NA	6	3	5	4	4	3	4	2	2	3	4	4	4
TAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "AS TO THE ECONOMIC POLICY OF THE GOVERNMENT -- I MEAN STEPS TAKEN TO FIGHT INFLATION OR UNEMPLOYMENT -- WOULD YOU SAY THE GOVERNMENT IS DOING A GOOD JOB, ONLY FAIR, OR A POOR JOB?"

CHART 23 - RECENT CHANGES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

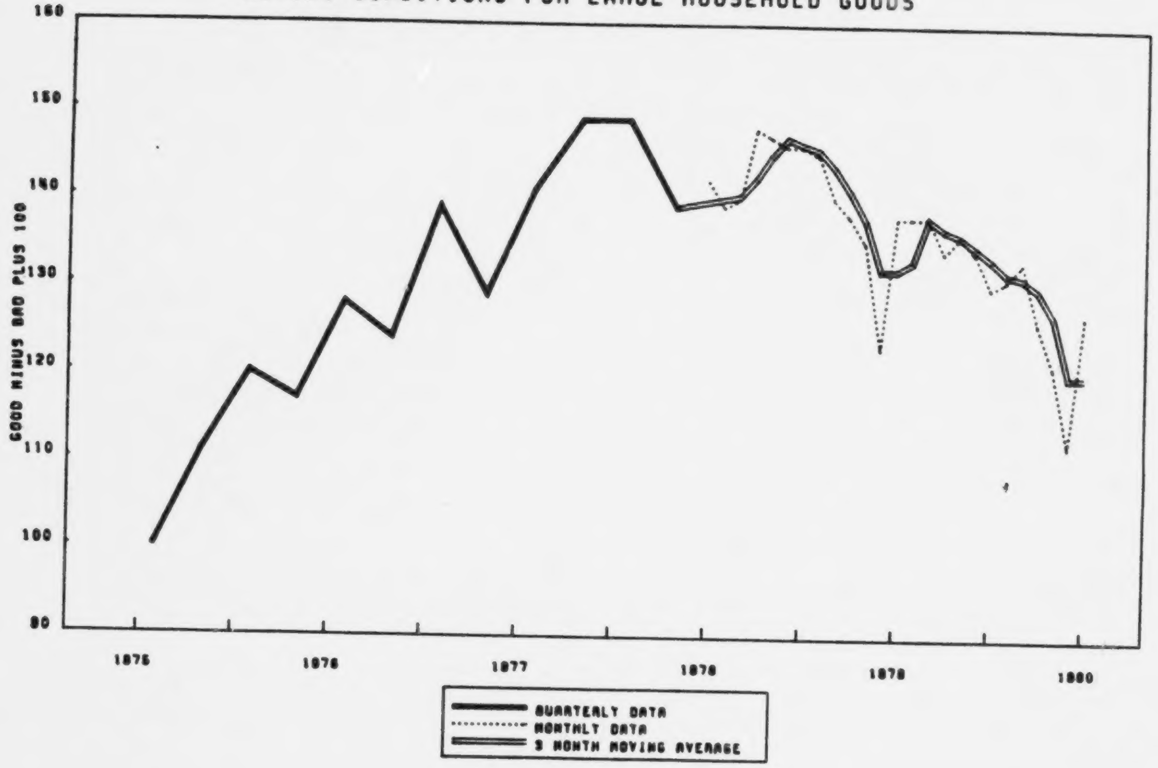

CHART 23 - HISTORICAL SERIES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

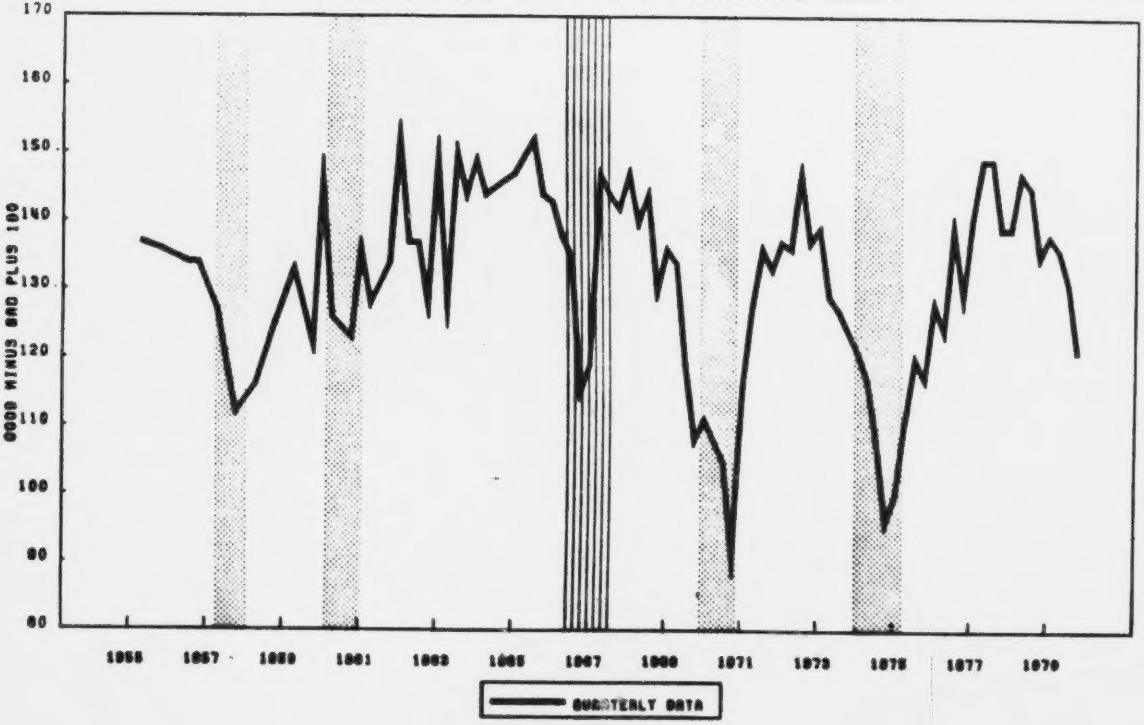

TABLE 23

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980
GOOD TIME TO BUY	63%	61%	63%	61%	62%	62%	60%	58%	62%	58%	54%	53%	60%
UNCERTAIN, DEPENDS	12	16	12	12	12	10	10	15	9	10	13	6	7
BAD TIME TO BUY	25	23	25	27	26	28	30	27	29	32	33	41	33
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "ABOUT THE BIG THINGS PEOPLE BUY FOR THEIR HOUSE -- SUCH AS FURNITURE, A REFRIGERATOR, STOVE, AND THINGS LIKE THAT. GENERALLY SPEAKING, DO YOU THINK NOW IS A GOOD TIME OR A BAD TIME TO BUY MAJOR HOUSEHOLD ITEMS?"

TABLE 24

SELECTED REASONS FOR OPINIONS ABOUT CURRENT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980
GOOD TIME TO BUY:													
PRICES ARE LOW; GOOD BUYS AVAILABLE	12%	21%	11%	6%	17%	10%	9%	19%	13%	8%	18%	12%	17%
PRICES GOING HIGHER; WON'T COME DOWN	48	35	50	53	35	46	46	33	42	48	27	38	47
BAD TIME TO BUY:													
PRICES ARE HIGH;	19	18	14	15	18	20	19	18	18	18	18	26	20
CREDIT; HIGH INTEREST RATES	5	2	4	4	3	6	7	4	8	8	3	12	9

* = LESS THAN HALF OF ONE PERCENT.

RESPONSES TO THE QUERY "WHY DO YOU SAY SO?" FOLLOWING THE QUESTION NOTED IN THE PREVIOUS TABLE.

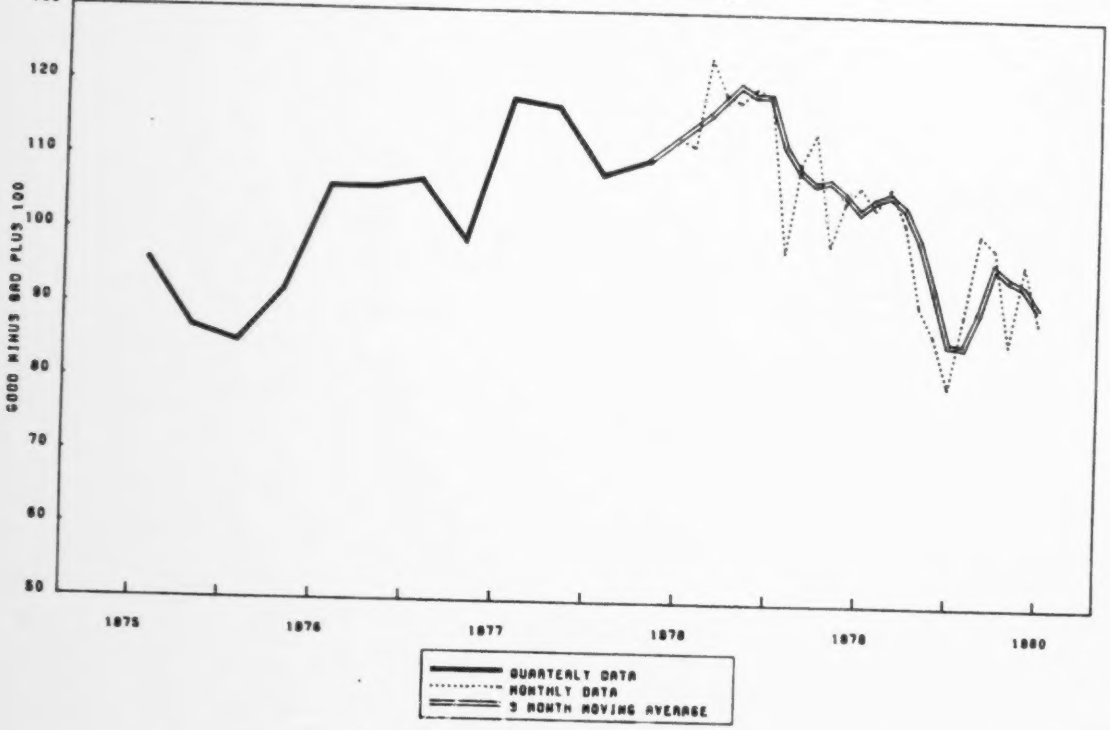

CHART 25 - RECENT CHANGES
BUYING CONDITIONS FOR CARS

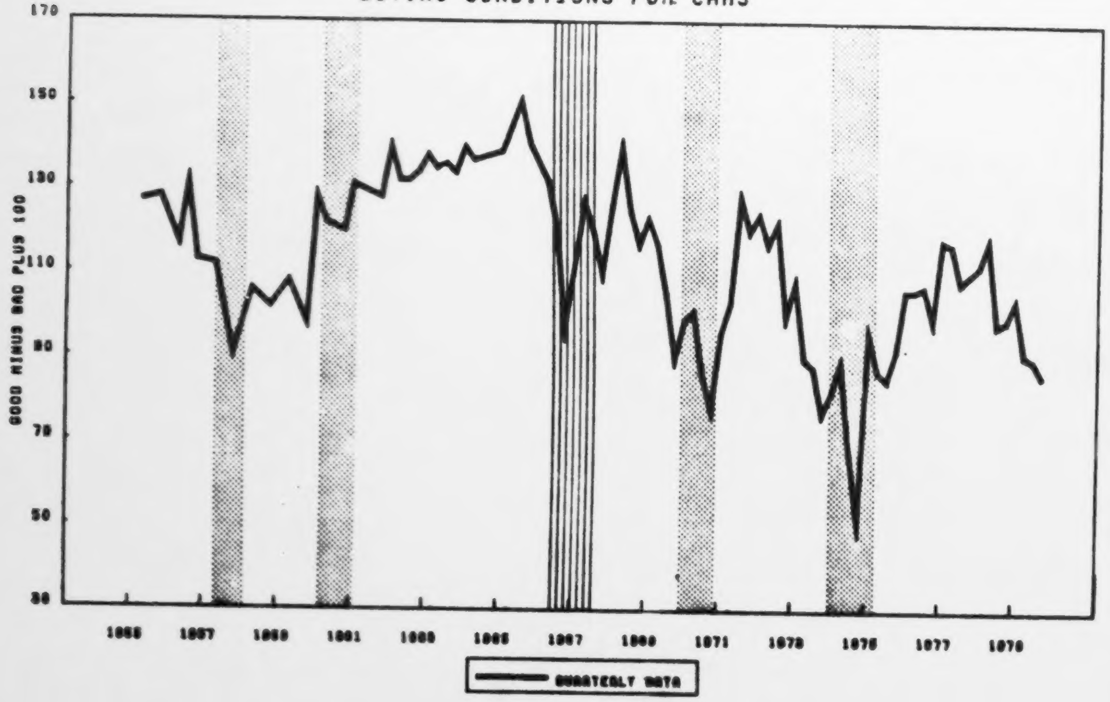

CHART 25 - HISTORICAL SERIES
BUYING CONDITIONS FOR CARS

TABLE 25

BUYING CONDITIONS FOR CARS

	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980
GOOD TIME TO BUY	46%	43%	47%	45%	39%	37%	32%	38%	44%	45%	38%	44%	39%
UNCERTAIN, DEPENDS	15	18	13	12	13	13	16	14	12	9	10	9	11
BAD TIME TO BUY	39	39	40	43	48	50	52	48	44	46	52	47	50
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "SPEAKING NOW OF THE AUTOMOBILE MARKET -- DO YOU THINK THE NEXT 12 MONTHS OR SO WILL BE A GOOD OR A BAD TIME TO BUY A CAR?"

TABLE 26

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980
GOOD TIME TO BUY:													
PRICES ARE LOW; GOOD BUYS AVAILABLE	6%	7%	5%	5%	6%	7%	10%	16%	18%	13%	13%	15%	12%
PRICES GOING HIGHER; WON'T COME DOWN	33	29	35	30	22	21	17	13	21	23	16	21	22
NEW FUEL EFFICIENT MODELS	1	4	7	12	15	12	11	11	9	8	8	10	8
BAD TIME TO BUY:													
PRICES ARE HIGH; MAY FALL LATER	29	30	31	21	26	25	27	27	25	27	30	27	31
CREDIT; HIGH INTEREST RATES	5	6	6	5	5	3	4	7	6	8	18	16	13
ENERGY CRISIS	5	3	14	19	22	26	25	18	14	13	10	12	19

* = LESS THAN HALF OF ONE PERCENT.

RESPONSES TO THE QUERY "WHY DO YOU SAY SO?" FOLLOWING THE QUESTION NOTED IN THE PREVIOUS TABLE.

CHART 27 - RECENT CHANGES
BUYING CONDITIONS FOR HOUSES

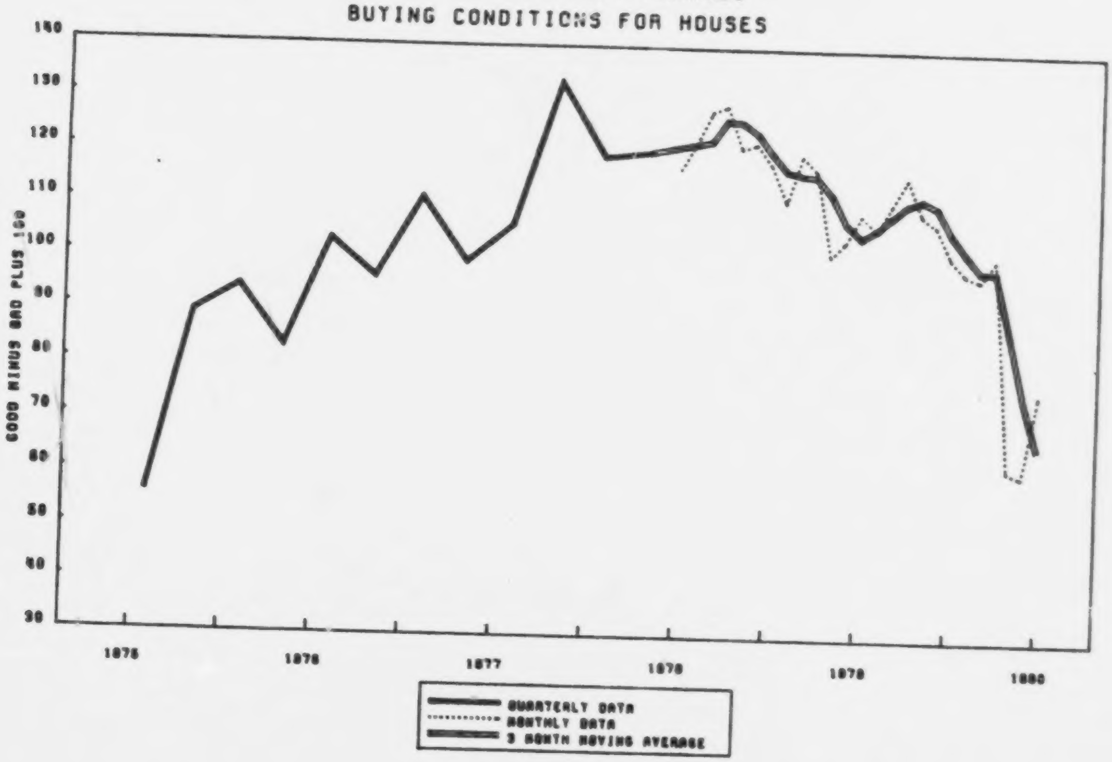

CHART 27 - HISTORICAL SERIES
BUYING CONDITIONS FOR HOUSES

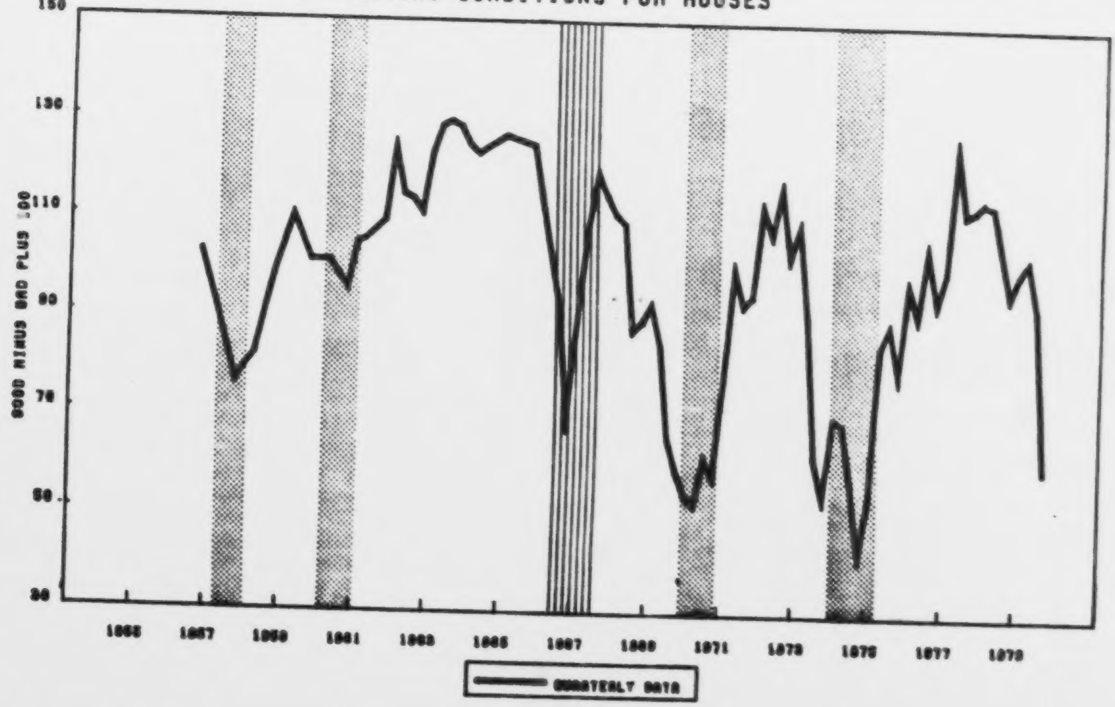

TABLE 27

BUYING CONDITIONS FOR HOUSES

	JAN. 1979	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980
GOOD TIME TO BUY	50%	49%	50%	54%	51%	50%	48%	46%	46%	48%	28%	27%	36%
UNCERTAIN, DEPENDS	9	8	11	8	7	7	5	6	5	5	6	7	4
BAD TIME TO BUY	41	43	39	38	42	43	47	48	49	47	66	66	60
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "GENERALLY SPEAKING, DO YOU THINK NOW IS A GOOD TIME OR A BAD TIME TO BUY A HOUSE?"

U7475-2 U A

JANUARY 1980 SURVEY February 4, 1980

Surveys of Consumer Attitudes
Monitoring Economic Change Program

F. Thomas Juster, *Director*
Monitoring Economic Change Program • George Katona, *Founder*
Consumer Survey Program • Richard T. Curtin, *Director*
Surveys of Consumer Attitudes

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DIVERGENT TRENDS YIELD NET IMPROVEMENT

**In the January 1980 Survey, the Index of Consumer Sentiment was 67.0, up from 61.0 in December of 1979. Some seasonal factors may have contributed to this 6 Index-point improvement, since both the January 1979 and January 1980 surveys each recorded a 6 point improvement over the preceding December survey. The recent improvement was based on more favorable evaluations of personal finances and buying conditions, and accompanied by record increases in price expectations.

**Among families with incomes of $15,000 or more, the Index value was 58.7 in the January 1980 survey, up from the 55.1 recorded in December 1979, and nearly 10 Index-points below the January 1979 reading (68.4). Since July 1979, the Index value recorded among high income families has ranged from 55.1 to 59.1, indicating no significant change from this low level during the past 6 months.

**Past and expected changes in their personal financial situation were evaluated more favorably by consumers in January 1980 than in late 1979, despite increase fears of inflation and stagnating real incomes.

**The expected inflation rate reached a new all-time record level of 13.1 percent in the January 1980 survey, up substantially from the 9.3 percent recorded in January 1979.

**Although the majority continue to expect bad times financially for the economy as a whole in the near and longer terms, small but sustained improvements in business expectations have been recorded during the past several months. A growing confidence in government economic policy has contributed to the improvement.

**Buying attitudes toward household durables were significantly more favorable in January 1980 than in late 1979, due to a resurgence of buy-in-advance price rationales. In contrast, favorable attitudes toward market conditions for vehicles declined in January 1980, with postponement the more frequent reaction to current prices, due to heightened concern with energy related issues.

* * *

The improvement recorded in the January 1980 survey is based on an insufficient foundation, and is subject to future erosion. Although the recent change does not signal a clear reversal in trend, it does indicate that the downward momentum has ended, with consumer confidence remaining largely unchanged at low levels during the past 6 months. On balance, these findings continue to indicate weakened sales prospects during the first half of 1980.

Institute for Social Research • P.O. Box 1248 • Ann Arbor, Michigan 48106 • (313) 763-5224

Improved Personal Finances

Consumer evaluations of their personal financial situation improved in early 1980, reversing losses recorded in the last quarter of 1979, and returning evaluations to levels comparable with year-earlier readings. Among all families, 38 percent reported being worse off financially, up from 27 percent in December, and identical to the 38 percent recorded in January 1979. The proportion who reported being better off financially was 34 percent in January 1980, up from 27 percent in December, and somewhat below the 38 percent recorded in January 1979. When asked to explain how their financial situation had changed, fewer complaints about price increases were made in the January 1980 survey (39 percent) than one month earlier (46 percent in December), and there were more frequent mentions of income increases in January 1980 (34 percent) than in December (28 percent).

The January survey confirms the small but sustained improvement in personal financial expectations since their mid-1979 record low level. Consumers more frequently expected that in the year ahead they would be better rather than worse off financially by a margin of 28 to 22 percent in the January 1980 survey. This is the first time since late 1978 that consumers more frequently expected improvement rather than deterioration in their overall personal financial situation. Despite these more favorable expectations, the majority in January 1980 (52 percent) continued to expect prices to increase by more than their incomes in the year ahead.

Business Prospects Diverge

In the January 1980 survey somewhat fewer respondents reported hearing of unfavorable changes in business conditions, and somewhat more frequently reported favorable developments. Nonetheless, the news-mix remained predominantly negative by a margin of 76 to 17 percent. Nearly two-in-three consumers reported that current business conditions had worsened during the past year in the January survey, largely unchanged from when this pessimistic level was first reached in mid-1979. Although evaluations of current business conditions have remained at this low level during the past six months, small but sustained improvements in short-term business expectations have been recorded. Better business conditions were expected by 17 percent in January 1980, up from 11 percent in mid-1979, and nearly equal to the year earlier reading of 19 percent. In January 1980, 35 percent expected business conditions to worsen in the year ahead, down from the record 43 percent recorded in July 1979, although still above the 30 percent recorded in January 1979.

A majority continue to expect bad times financially in the economy as a whole during the near and longer terms. During the past several months, the short-term outlook has become somewhat more favorable, while the longer term outlook grew somewhat less favorable. Bad times were expected in the economy as a whole during the next 12 months by 66 percent of all families in January (down from 68 percent last November), and during the next five years by 70 percent (up from 64 percent in November 1979). Good times financially were expected in the economy during the next 12 months by 24 percent of all families in January (up from 20 percent in November 1979), and during the next five years by 17 percent (down from 18 percent in November 1979).

Price Expectations Reach New Record Level

In the January 1980 survey, consumers expected prices to increase on average by 13.1% during the year ahead. This exceeds the prior peak rate of 11.4% recorded in May 1979, and the 11.2% recorded in November 1979. Among all families, 53 percent expected prices to increase by 10% or more in the January 1980 survey, almost twice the 29 percent recorded in January 1979.

After posting improvements in the November and December surveys, interest rate expectations became somewhat less favorable in January 1980, although they remained significantly improved compared with year-earlier readings. Interest rates were expected to go up by 45 percent of all families in January 1980, somewhat above the 40 percent recorded in December 1979, but significantly below the 69 percent recorded in January 1979. Interest rate declines were less frequently expected in January 1980 (21 percent), than in December 1979 (34 percent), but significantly more frequent than a year earlier (7 percent in January 1979). Unemployment expectations, in contrast, were somewhat more favorable in January 1980 than in late 1979. Fewer consumers expected unemployment to increase in January 1980 (54 percent) than in December (61 percent), but still more frequently than a year earlier (41 percent).

Since mid-1979, confidence in government economic policy to combat inflation and unemployment has steadily increased. In July 1979, a near majority (48 percent felt the government was doing a poor job; by January 1980, less than one-in-three (31 percent) gave an unfavorable rating to government economic policies, comparable with the level of confidence recorded a year earlier in January 1979 (30 percent).

Mixed Changes in Buying Attitudes

The January 1980 survey recorded a sharp increase in favorable attitudes toward buying conditions for large household durables, reversing the losses recorded during the last quarter of 1979. Among all families, 60 percent reported it was a good time to buy durables in January 1980, up from 53 percent in December 1979, and nearly equal to the 63 percent recorded in January 1979. Unfavorable durable buying attitudes were held by 33 percent of all families in January, down from 41 percent in December, but still above the 25 percent recorded a year earlier. The recent improvement in durable buying attitudes can be traced to a resurgence of buy-in-advance price rationales. In the January 1980 survey, buy-in-advance motivations were mentioned by 47 percent of all families, up from 38 percent in December 1979, and comparable with the 48 percent recorded in January 1979.

Attitudes toward the housing market, after recording sharp declines in late 1979, improved somewhat in the January 1980 survey. The proportion of consumers who rated house buying conditions favorably remained largely unchanged from January 1979 (50 percent) to October 1979 (48 percent), but then fell to 28 percent in the November and December 1979 surveys, and subsequently increased to 36 percent in January 1980. Unlike the durable goods market for which the majority reported favorable buying attitudes, for houses the majority (60 percent) rate market conditions unfavorably (up from 41 percent in January 1979).

The January 1980 rebound in favorable buying attitudes toward durables and houses stood in contrast to declines in favorable attitudes toward buying conditions for automobiles. In January 1980, 39 percent of all families felt buying conditions for autos were favorable, down from 44 percent in December 1979, and below the 46 percent recorded in January 1979. Unfavorable buying conditions were reported by 50 percent of all respondents in January 1980, up somewhat from the 47 percent recorded in December 1979, and significantly above the 39 percent recorded in January 1979. Unlike the household durable market, no increase was recorded in buy-in-advance price rationales with regard to the automobile market. In January 1980, 22 percent of all families expressed buy-in-advance motivations, largely unchanged from the 21 percent recorded in December 1979, and significantly below the 33 percent recorded in January 1979. High prices which may fall later was more frequently cited as a reason for unfavorable auto buying conditions in January 1980 (31 percent) than in December 1979 (27 percent).

The major reasons for the overall decline during the past year in favorable buying attitudes toward automobiles involves concerns over high interest rates along with tight credit conditions, and a heightened concern over energy problems. Although the impact of the energy crisis on automobile buying attitudes is considerably below the level recorded in June 1979, the proportion of respondents who have mentioned energy problems as reasons for making current buying conditions unfavorable has increased from 10 percent in November to 12 percent in December 1979 and 19 percent in January 1980. Unfavorable references to high interest rates or tight credit conditions were mentioned by 13 percent of all families in January 1979 compared with just 5 percent in January 1980.

* * *

The January survey included 769 interviews conducted between January 2 and January 27, 1980.

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SURVEYS OF CONSUMER ATTITUDES

recd 3/28/8

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TABLES AND CHARTS

FEBRUARY 1980

THE FEBRUARY 1980 SURVEY IS THE 115TH IN A SERIES OF SURVEYS OF CONSUMER ATTITUDES CONDUCTED DURING THE LAST 30 YEARS. THE PURPOSE OF THESE SURVEYS IS TO MEASURE CHANGES IN CONSUMER ATTITUDES AND EXPECTATIONS, AND TO INCREASE UNDERSTANDING OF WHY THESE CHANGES OCCUR AND HOW THEY AFFECT CONSUMER DECISIONS TO MAKE DISCRETIONARY PURCHASES OR TO SAVE. THIS TYPE OF UNDERSTANDING IS AN ESSENTIAL INGREDIENT FOR FORECASTING CHANGES IN AGGREGATE CONSUMER BEHAVIOR.

TWO CHARTS ARE PRESENTED FOR EVERY QUESTION. ONE GIVES QUARTERLY RESULTS FROM 1955 TO THE LAST QUARTERLY OBSERVATION. A SECOND CHART SHOWS MONTHLY RESULTS SINCE JANUARY OF 1978, WHEN THIS SERIES WAS INSTITUTED, ALONG WITH A SIMPLE THREE MONTH MOVING AVERAGE PLOTTED ON THE LAST OF THE THREE MONTHS.

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4	CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO
5	SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION
6	EXPECTED CHANGE IN FINANCIAL SITUATION
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26	BUYING CONDITIONS FOR CARS
27	SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

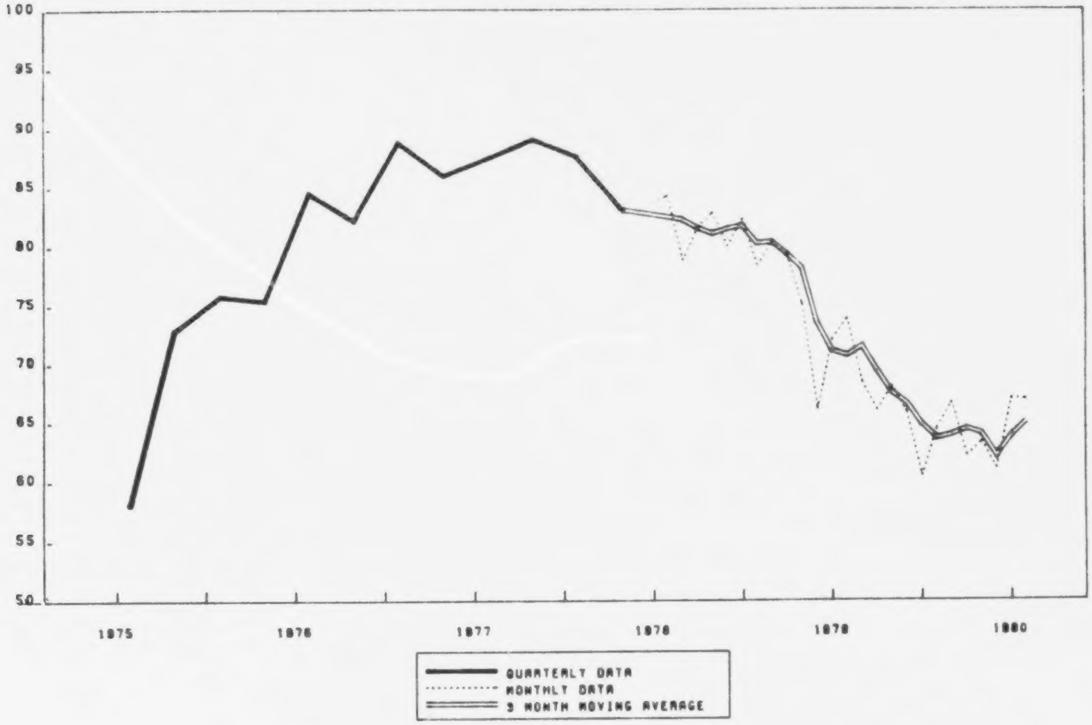

CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT

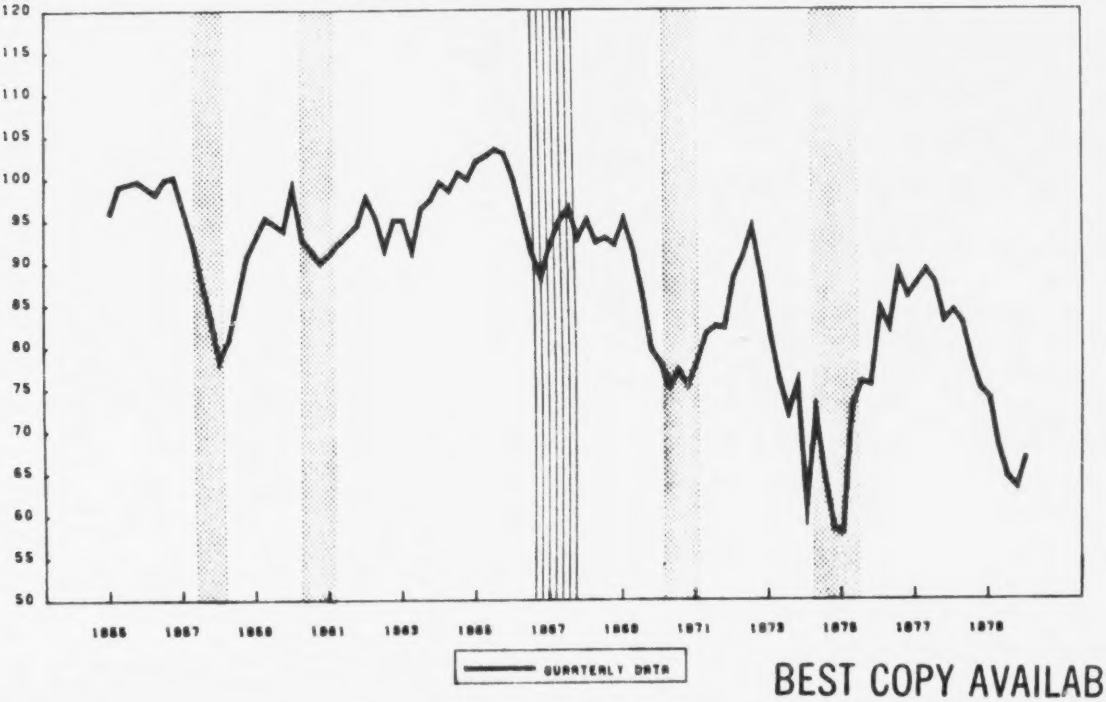

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TABLE 3
COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT **

DATE		1*	2*	3*	4*	5*	CURRENT (1,5)	EXPECTED (2,3,4)
FEBRUARY	1976	103	124	118	79	128	90.2	81.0
MAY	1976	100	118	120	76	124	87.5	78.9
AUG-SEPT.	1976	105	119	127	92	139	95.1	84.9
NOV-DEC.	1976	96	115	117	105	129	87.9	84.5
FEBRUARY	1977	99	121	115	97	141	93.6	84.5
MAY	1977	108	115	118	92	149	100.0	81.8
AUG-SEPT.	1977	107	116	115	86	149	99.7	79.8
NOV-DEC.	1977	107	107	104	84	139	95.9	74.5
JANUARY	1978	105	114	106	80	142	96.2	75.7
FEBRUARY	1978	106	109	108	89	139	95.4	77.1
MARCH	1978	100	107	91	77	140	93.2	69.5
APRIL	1978	104	112	98	71	148	97.9	71.1
MAY	1978	105	111	99	79	147	98.2	73.0
JUNE	1978	107	102	97	71	146	98.4	68.1
JULY	1978	108	111	105	69	146	98.7	71.9
AUGUST	1978	102	112	82	70	145	96.1	67.0
SEPTEMBER	1978	109	108	96	71	140	96.9	69.7
OCTOBER	1978	96	104	103	77	138	91.2	71.6
NOVEMBER	1978	106	105	74	67	135	94.1	62.8
DECEMBER	1978	95	97	61	53	123	85.2	53.7
JANUARY	1979	100	99	72	58	138	93.3	58.4
FEBRUARY	1979	99	98	75	71	138	92.2	62.2
MARCH	1979	96	99	57	53	138	91.2	53.7
APRIL	1979	85	90	63	56	134	85.9	53.3
MAY	1979	91	95	58	62	136	88.7	54.9
JUNE	1979	92	91	54	55	134	88.2	51.4
JULY	1979	89	92	39	40	130	85.7	44.2
AUGUST	1979	95	98	46	48	131	88.2	49.3
SEPTEMBER	1979	90	98	60	51	133	87.1	53.6
OCTOBER	1979	82	96	48	49	126	81.6	49.5
NOVEMBER	1979	86	97	52	54	120	80.9	52.0
DECEMBER	1979	81	99	52	50	112	75.7	52.0
JANUARY	1980	96	106	58	47	127	87.1	54.1
FEBRUARY	1980	85	99	55	60	134	85.5	54.9

PERSONAL FINANCIAL ATTITUDES
- 1* BETTER OR WORSE OFF THAN A YEAR AGO
- 2* EXPECT TO BE BETTER OR WORSE OFF IN A YEAR

EXPECTED BUSINESS CONDITIONS
- 3* NEXT 12 MONTHS
- 4* NEXT 5 YEARS

MARKET CONDITIONS
- 5* BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

**PERCENT SAYING "GOOD TIMES" (OR "BETTER"), MINUS PERCENT SAYING "BAD TIMES" (OR "WORSE"), PLUS 100.

CHART 4 - RECENT CHANGES
CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

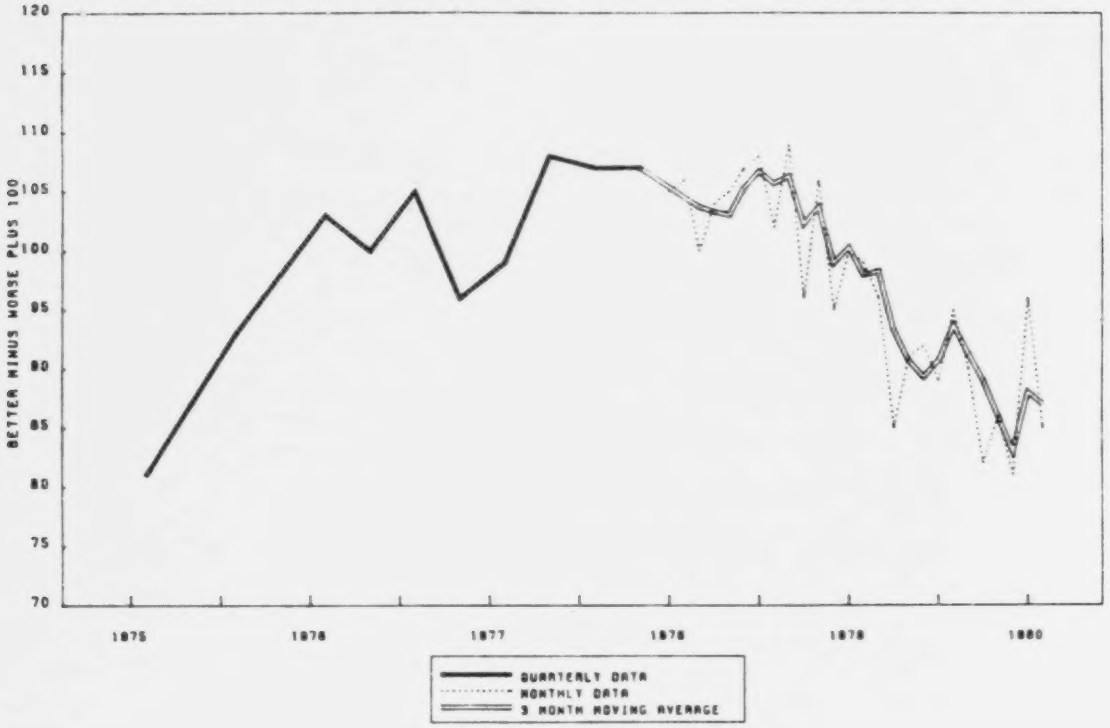

CHART 4 - HISTORICAL SERIES
CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

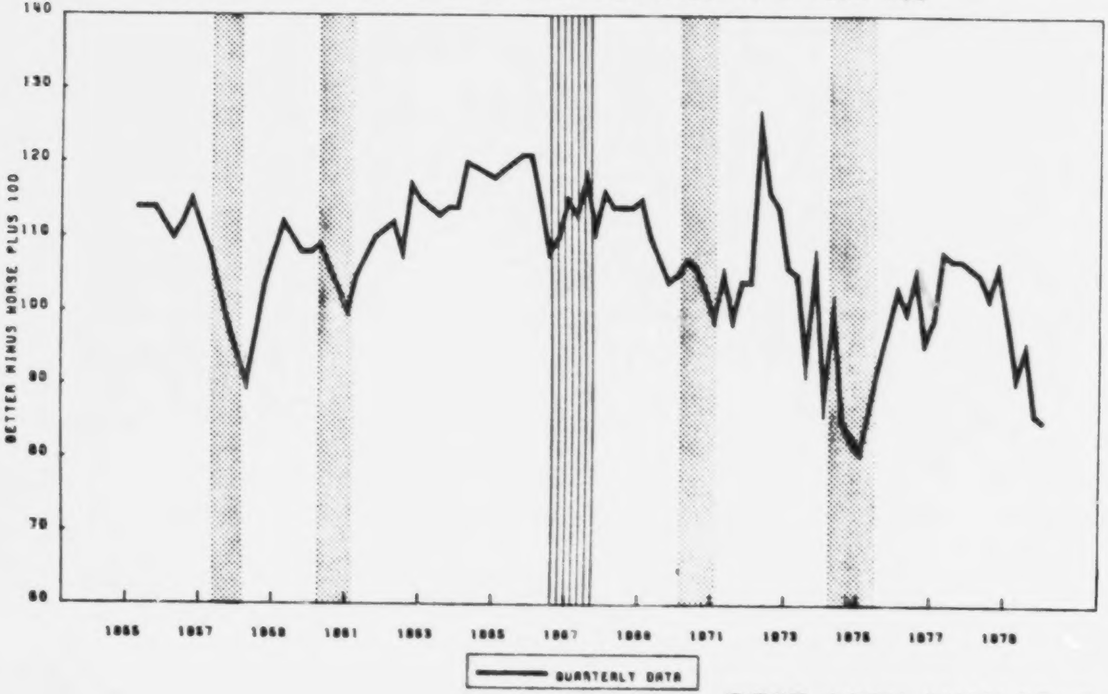

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TABLE 4

CURRENT FINANCIAL SITUATION
COMPARED TO A YEAR AGO

	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980	FEB. 1980
BETTER OFF	34%	32%	30%	31%	34%	31%	33%	31%	28%	30%	27%	34%	30%
SAME	30	32	24	29	24	27	28	27	26	25	26	28	25
WORSE OFF	35	36	45	40	42	42	38	41	46	44	46	38	45
DK, NA	1	*	1	*	*	*	1	1	*	1	1	*	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

* = LESS THAN HALF OF ONE PERCENT.

THE QUESTION WAS: "WE ARE INTERESTED IN HOW PEOPLE ARE GETTING ALONG FINANCIALLY THESE DAYS. WOULD YOU SAY THAT YOU (AND YOUR FAMILY LIVING THERE) ARE BETTER OFF OR WORSE OFF FINANCIALLY THAN YOU WERE A YEAR AGO?"

CHART 5 - RECENT CHANGES

REASONS FOR FINANCIAL SITUATION COMPARED TO A YEAR AGO

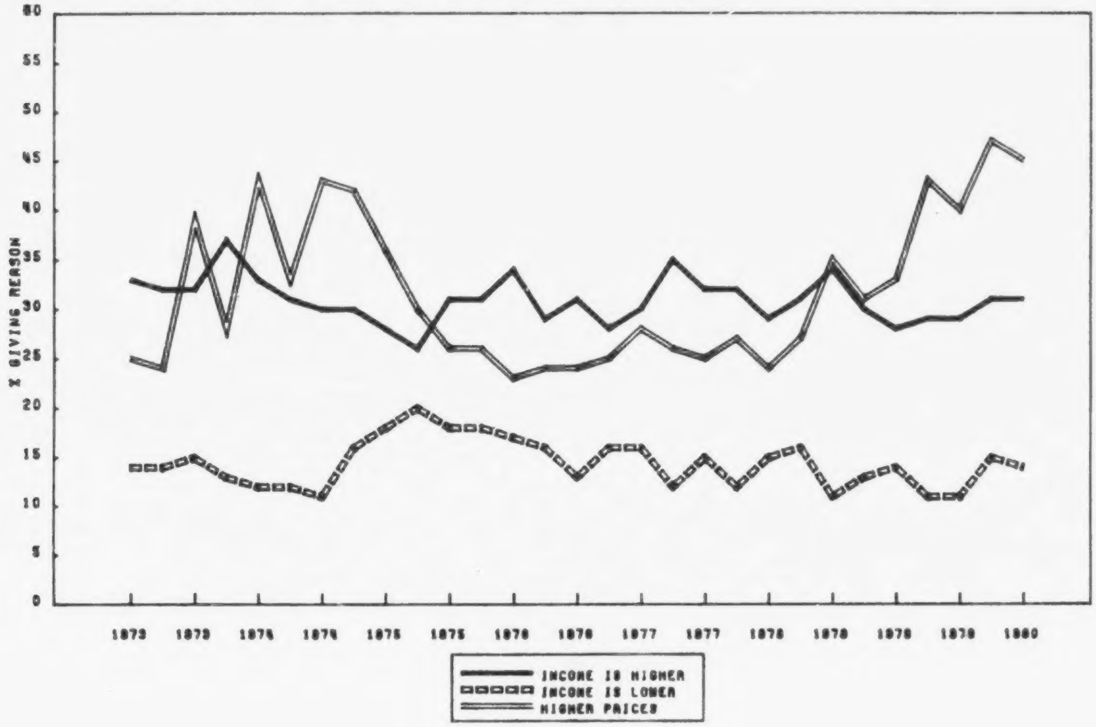

TABLE 5

SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION NOW COMPARED TO A YEAR AGO

	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980	FEB. 1980
BETTER OFF BECAUSE: INCOME IS HIGHER	28%	32%	33%	29%	32%	31%	29%	30%	28%	31%	28%	34%	31%
WORSE OFF BECAUSE: INCOME IS LOWER	14	11	13	11	9	12	11	13	13	15	15	13	14
HIGHER PRICES	33	38	46	43	47	44	40	47	48	47	46	39	45

RESPONSES TO THE QUERY "WHY DO YOU SAY SO?" FOLLOWING THE QUESTION NOTED IN THE PREVIOUS TABLE.

CHART 6 - RECENT CHANGES
EXPECTED CHANGE IN FINANCIAL SITUATION

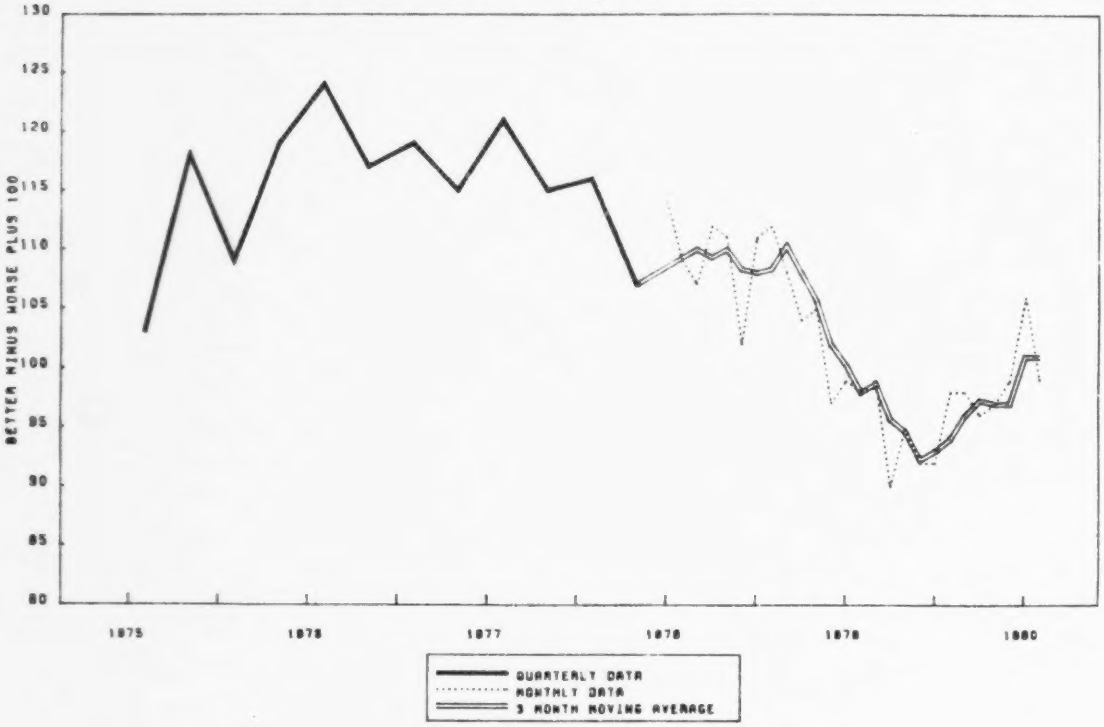

CHART 6 - HISTORICAL SERIES
EXPECTED CHANGE IN FINANCIAL SITUATION

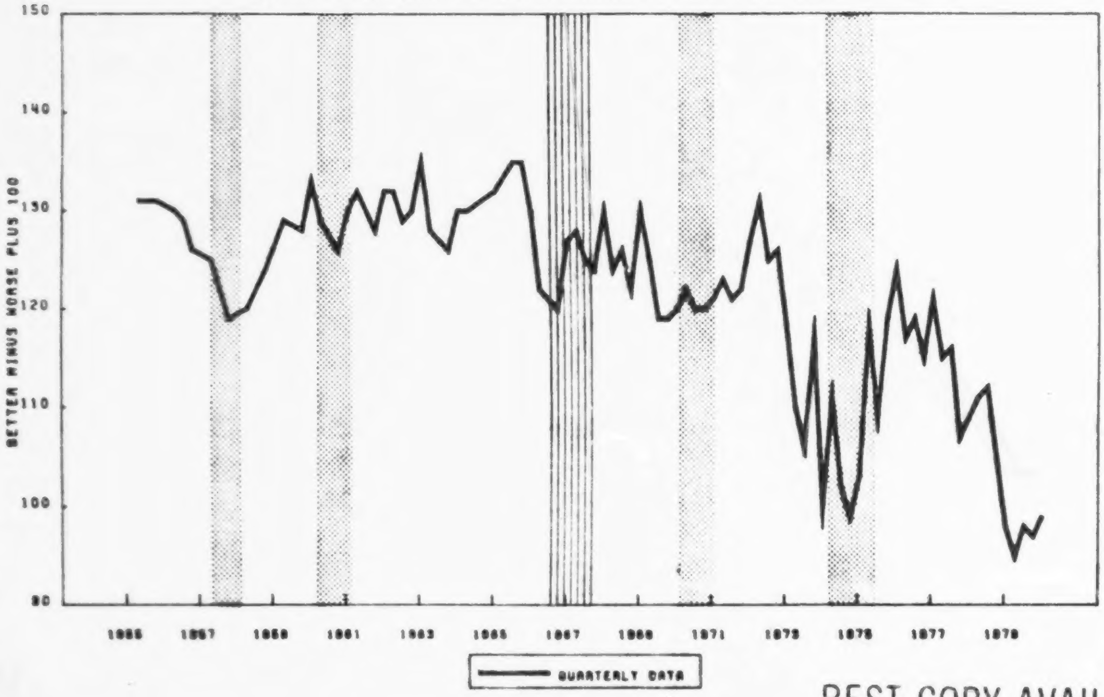

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TABLE 6

EXPECTED CHANGE IN FINANCIAL SITUATION

	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980	FEB. 1980
BETTER OFF	24%	24%	21%	21%	21%	20%	23%	24%	24%	21%	25%	28%	25%
SAME	45	48	45	49	46	49	50	47	45	53	44	46	45
WORSE OFF	26	25	31	26	29	28	25	26	28	24	26	22	26
DK/NA	5	3	3	4	4	3	2	3	3	2	5	4	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "NOW LOOKING AHEAD - DO YOU THINK THAT A YEAR FROM NOW YOU (AND YOUR FAMILY LIVING THERE) WILL BE BETTER OFF FINANCIALLY, OR WORSE OFF, OR JUST ABOUT THE SAME AS NOW?"

CHART 7 - RECENT CHANGES
TREND IN PERSONAL FINANCIAL SITUATION

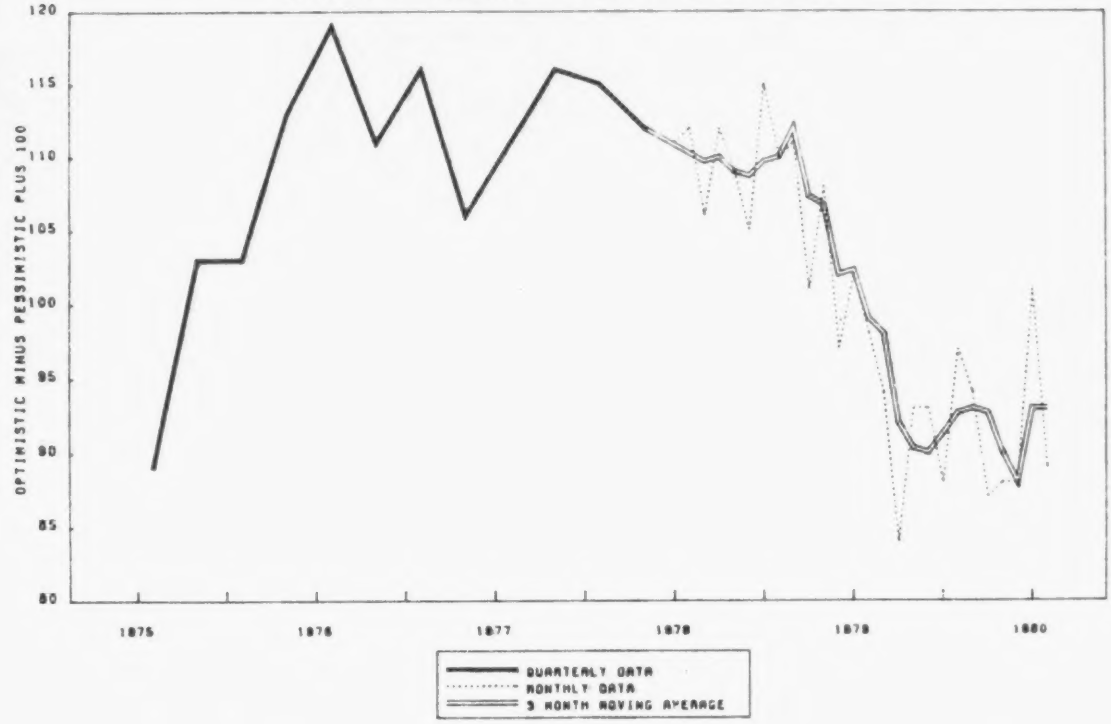

CHART 7 - HISTORICAL SERIES
TREND IN PERSONAL FINANCIAL SITUATION

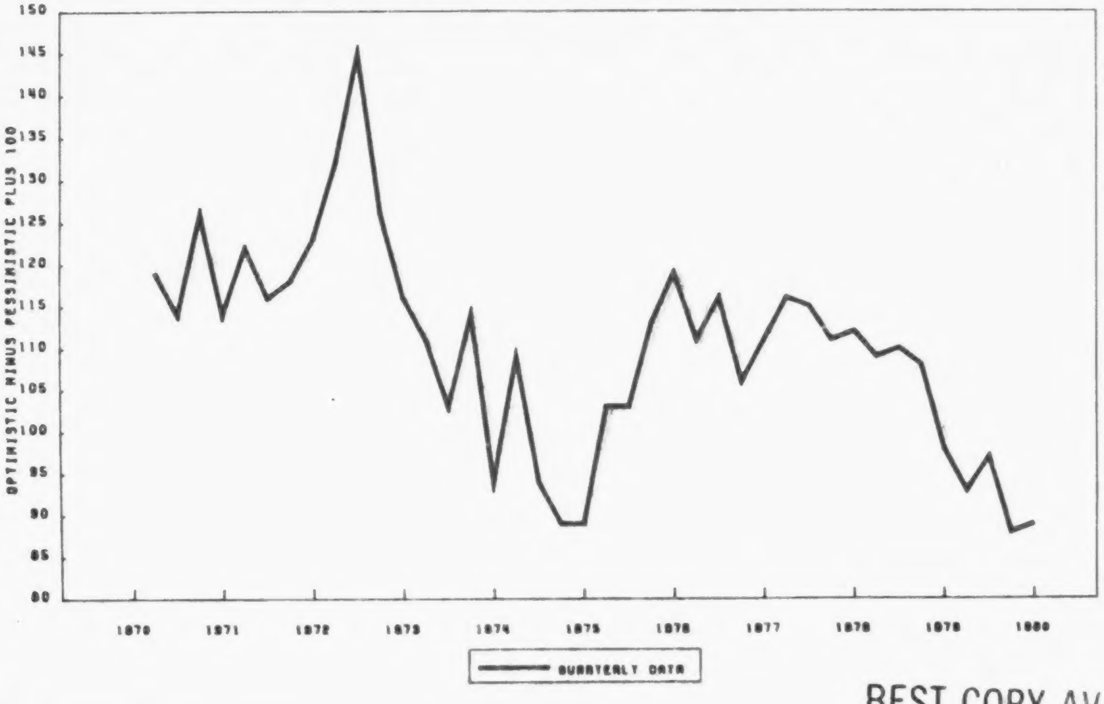

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TABLE 7

TREND IN PERSONAL FINANCIAL SITUATION

	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980	FEB. 1980
B/B+	13%	15%	13%	9%	11%	11%	13%	11%	11%	11%	12%	15%	13%
B/S, S/B	20	17	17	21	22	19	21	20	18	19	17	21	19
S/S	17	18	13	17	13	16	17	16	14	16	14	16	12
W/S, S/W	20	24	26	21	21	24	22	21	23	26	23	20	25
W/W	15	14	20	17	19	18	15	16	19	16	18	13	18
W/B, B/W	10	8	8	10	10	8	9	13	12	10	12	11	10
DK, NA	5	4	3	5	4	4	3	3	3	2	4	4	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

KEY: B=BETTER, S=SAME, W=WORSE; DK=DON'T KNOW, NA=NOT ASCERTAINED,
+ = BETTER THAN A YEAR AGO/WILL BE BETTER A YEAR FROM NOW.

TABLE 10

EXPECT INCOME OR PRICES UP MORE NEXT YEAR

	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980	FEB. 1980
INCOME UP MORE	10%	9%	10%	11%	9%	11%	12%	9%	9%	10%	10%	8%	14%
INCOME UP SAME	35	35	30	36	35	32	34	35	35	38	35	36	33
PRICES UP MORE	49	52	56	48	53	55	50	53	52	49	51	52	51
DK, NA	6	4	4	5	3	2	4	3	4	3	4	4	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "HOW ABOUT IN THE NEXT YEAR OR TWO — DO YOU EXPECT YOUR (FAMILY) INCOME WILL GO UP MORE THAN PRICES WILL GO UP, ABOUT THE SAME, OR LESS THAN PRICES WILL GO UP?"

CHART 11 - RECENT CHANGES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

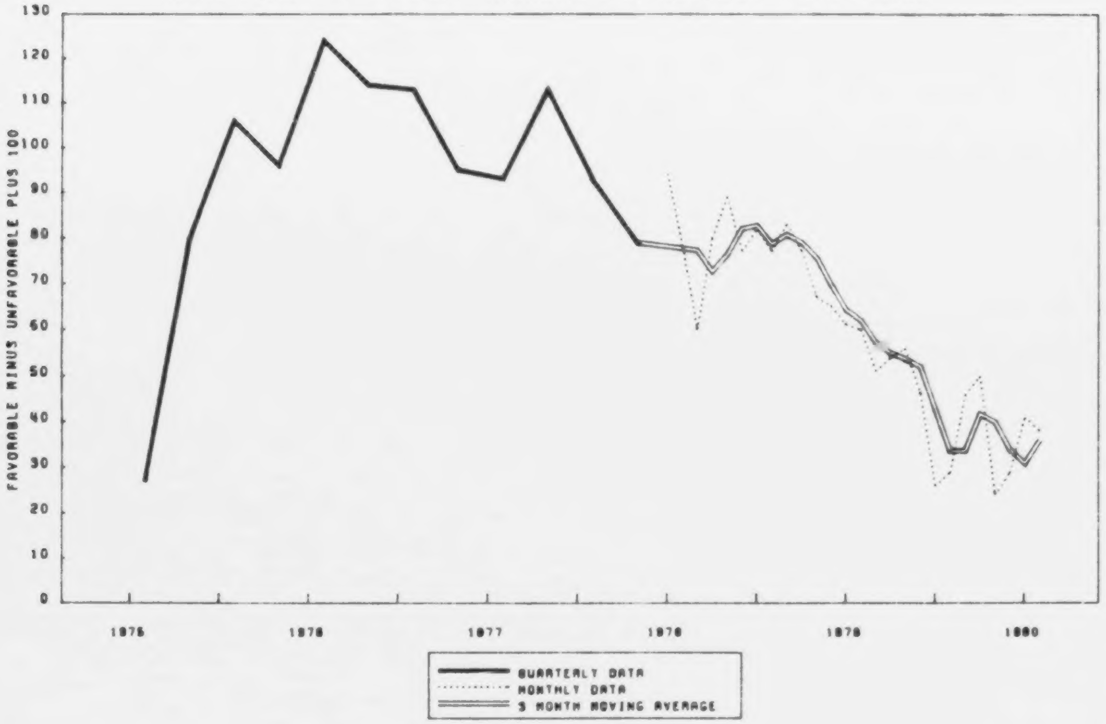

CHART 11 - HISTORICAL SERIES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

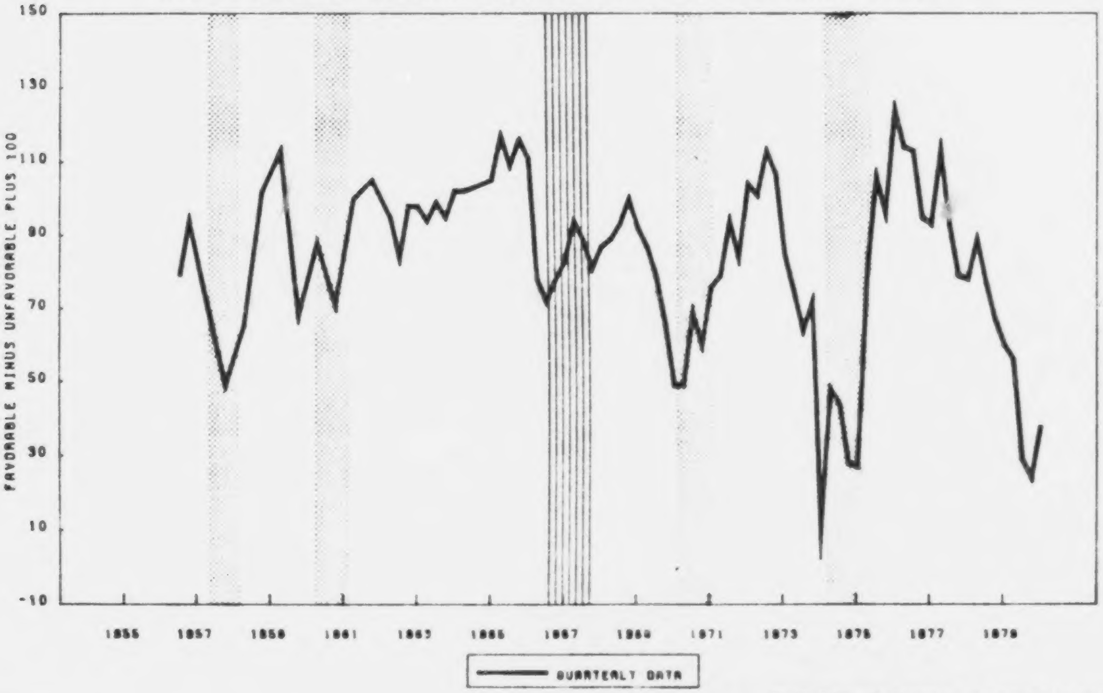

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TABLE 11

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980	FEB. 1980
FAVORABLE NEWS	21%	13%	18%	18%	13%	12%	15%	11%	13%	11%	10%	17%	14%
UNFAVORABLE NEWS	61	62	64	62	67	86	86	65	63	87	81	76	76
NO MENTIONS	45	44	40	46	43	33	34	47	47	38	41	39	41

ADDS TO MORE THAN 100% DUE TO RESPONDENTS MENTIONING TWO CHANGES.

THE QUESTIONS WERE: "DURING THE LAST FEW MONTHS, HAVE YOU HEARD OF ANY FAVORABLE OR UNFAVORABLE CHANGES IN BUSINESS CONDITIONS? WHAT DID YOU HEAR?"

CHART 12 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

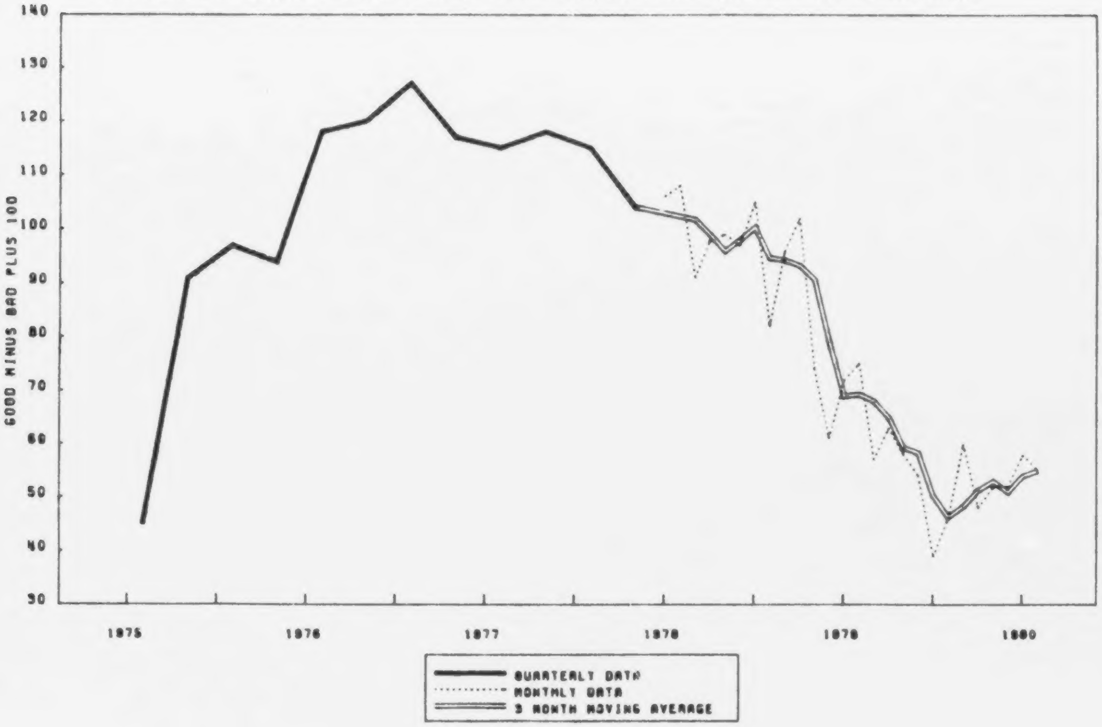

CHART 12 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

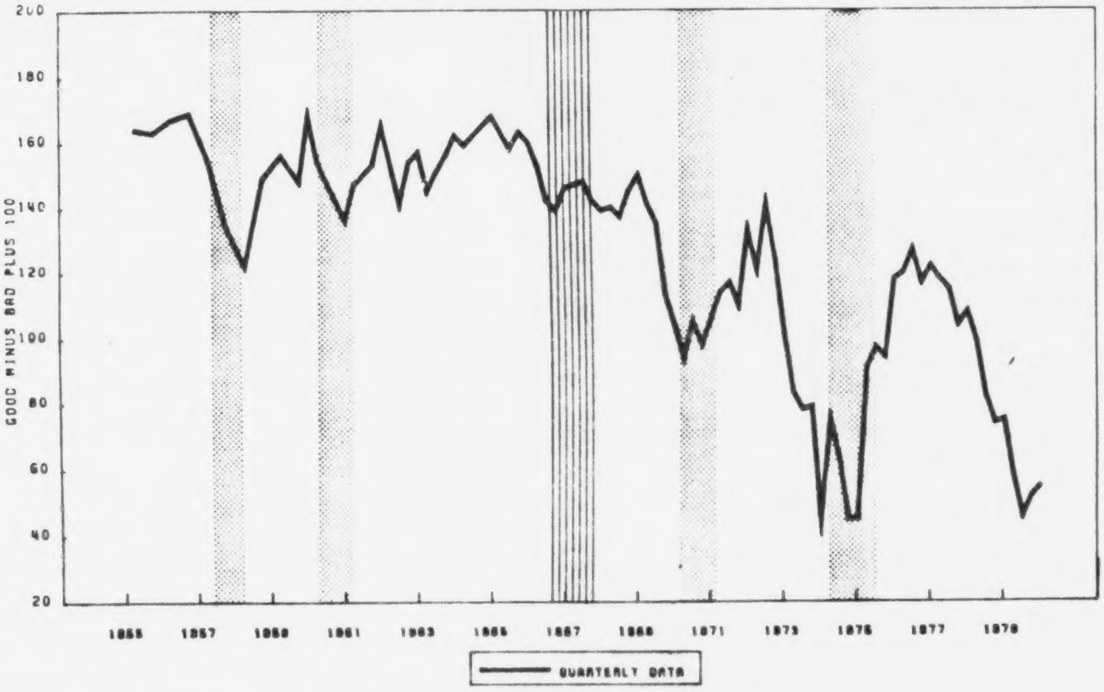

TABLE 12

BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980	FEB. 1980
GOOD TIMES	29%	20%	24%	21%	20%	13%	17%	23%	18%	20%	20%	24%	22%
GOOD IN SOME WAYS, BAD IN OTHERS	6	3	5	5	2	1	3	3	1	3	2	1	1
BAD TIMES	54	63	61	63	66	74	71	63	70	68	68	66	67
UNCERTAIN	8	8	5	4	5	4	5	5	5	4	4	4	5
NOT ASCERTAINED	3	6	5	7	7	8	4	6	6	5	6	5	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "NOW TURNING TO BUSINESS CONDITIONS IN THE COUNTRY AS A WHOLE — DO YOU THINK THAT DURING THE NEXT 12 MONTHS WE'LL HAVE GOOD TIMES FINANCIALLY OR BAD TIMES, OR WHAT?

CHART 13 - RECENT CHANGES
CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

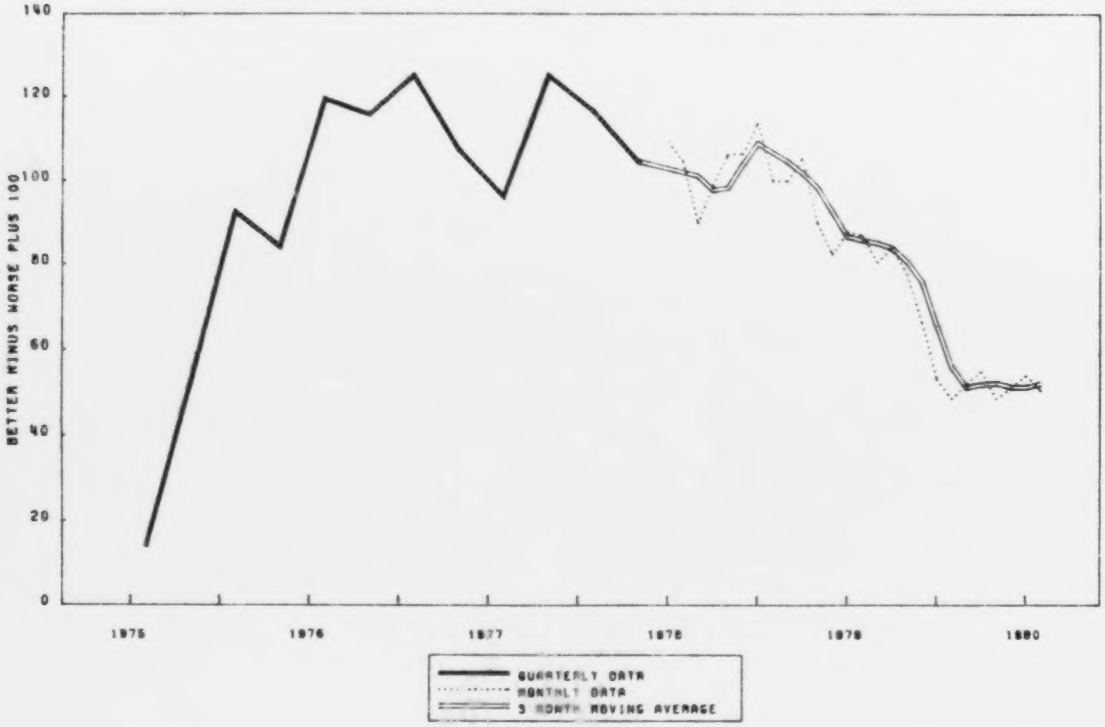

CHART 13 - HISTORICAL SERIES
CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

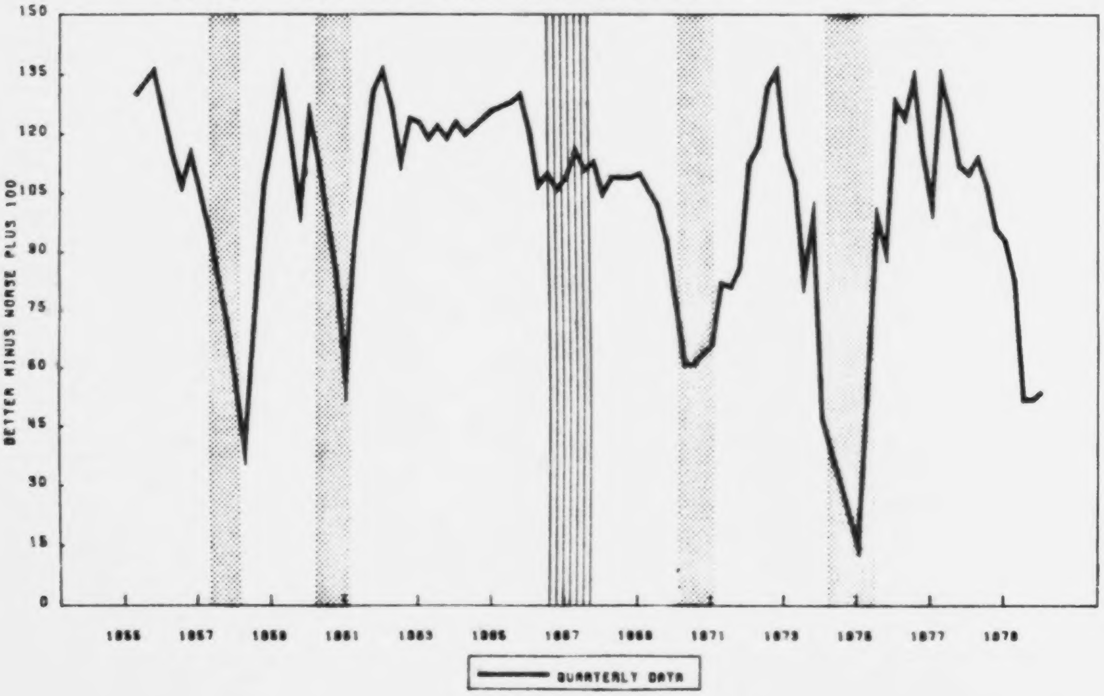

TABLE 13

CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980	FEB. 1980
BETTER NOW	37%	33%	36%	33%	27%	22%	20%	22%	22%	19%	21%	21%	21%
SAME	15	16	13	15	13	10	10	9	12	12	12	15	10
WORSE NOW	44	47	46	50	56	65	68	66	63	67	66	62	67
DK, NA	4	4	5	2	4	3	2	3	3	2	1	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "WOULD YOU SAY THAT AT THE PRESENT TIME BUSINESS CONDITIONS ARE BETTER OR WORSE THAN THEY WERE A YEAR AGO?"

CHART 14 - RECENT CHANGES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

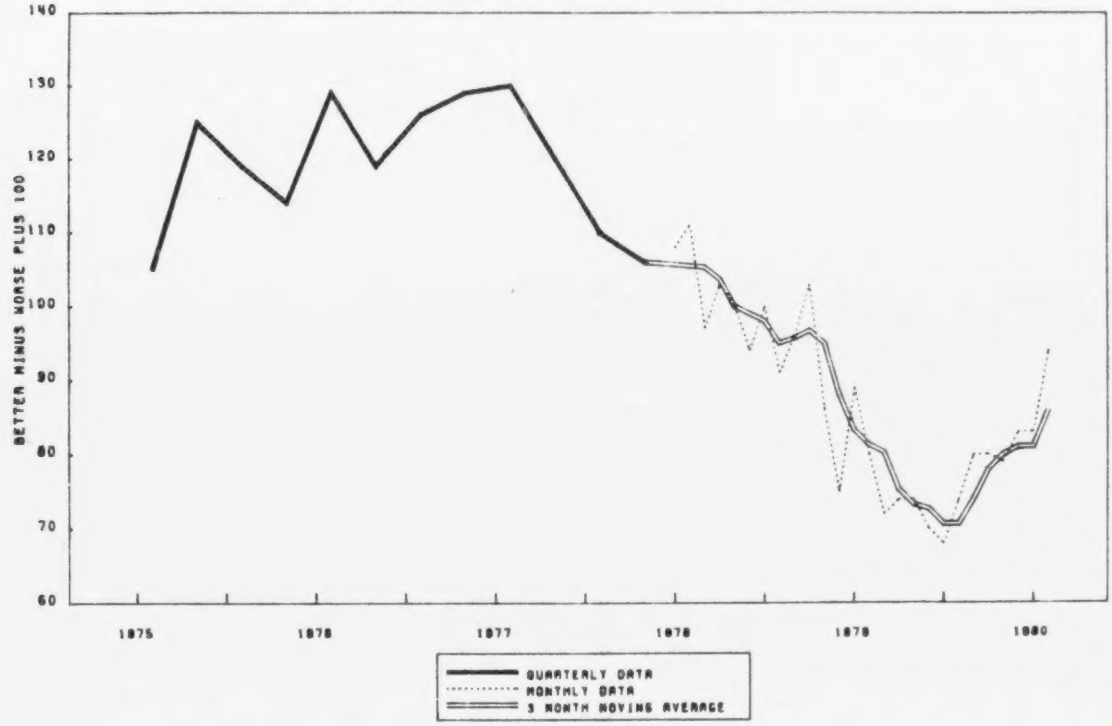

CHART 14 - HISTORICAL SERIES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

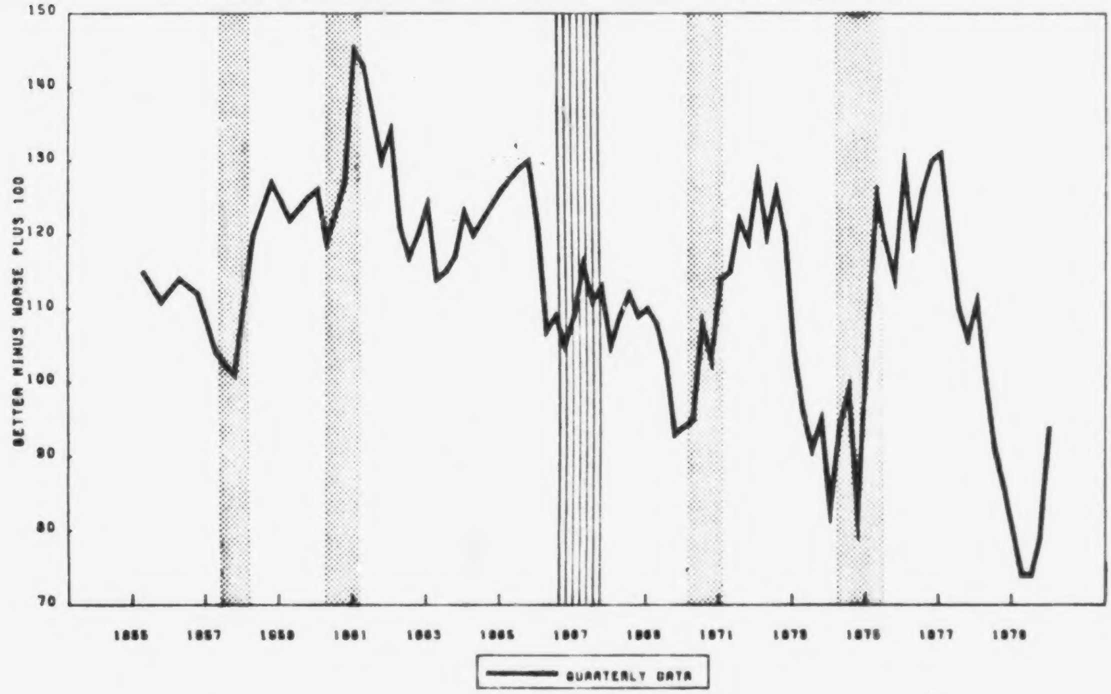

TABLE 14

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980	FEB. 1980
BETTER	14%	10%	12%	11%	12%	11%	13%	15%	15%	15%	18%	17%	21%
SAME	48	47	45	49	42	43	46	46	47	47	43	44	49
WORSE	34	38	38	37	42	43	39	35	35	36	35	35	27
DK, NA	4	5	5	3	4	3	2	4	3	2	4	4	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "AND HOW ABOUT A YEAR FROM NOW, DO YOU EXPECT THAT IN THE COUNTRY AS A WHOLE BUSINESS CONDITIONS WILL BE BETTER OR WORSE THAN THEY ARE AT PRESENT, OR JUST ABOUT THE SAME?"

CHART 15 - RECENT CHANGES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

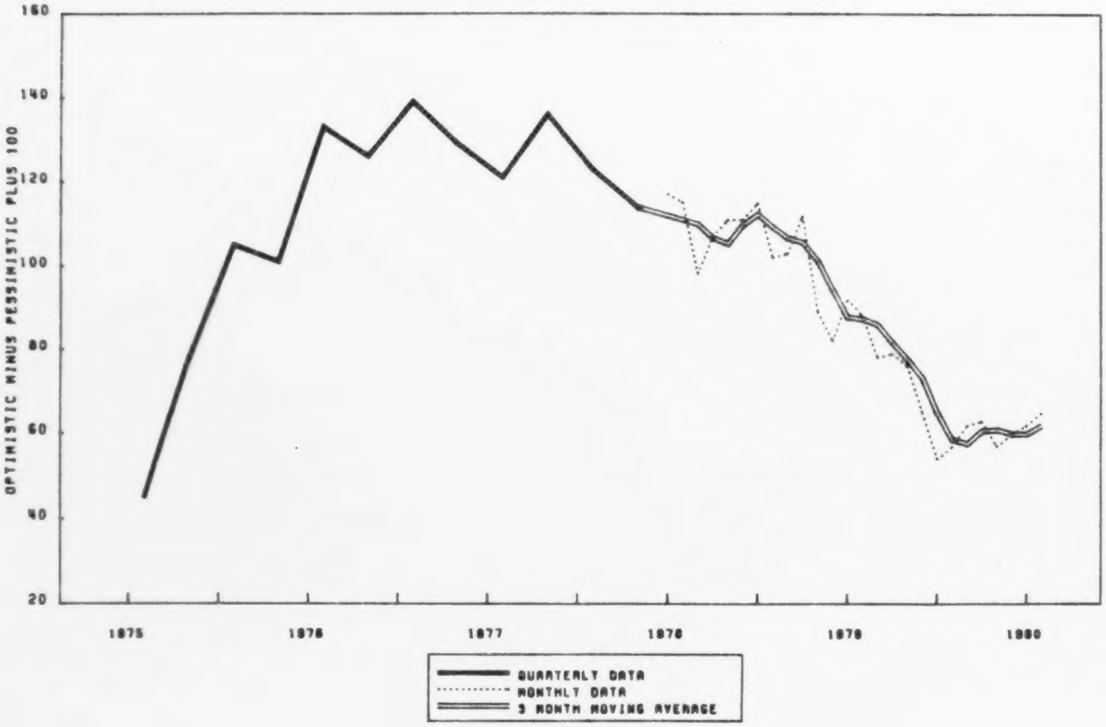

CHART 15 - HISTORICAL SERIES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

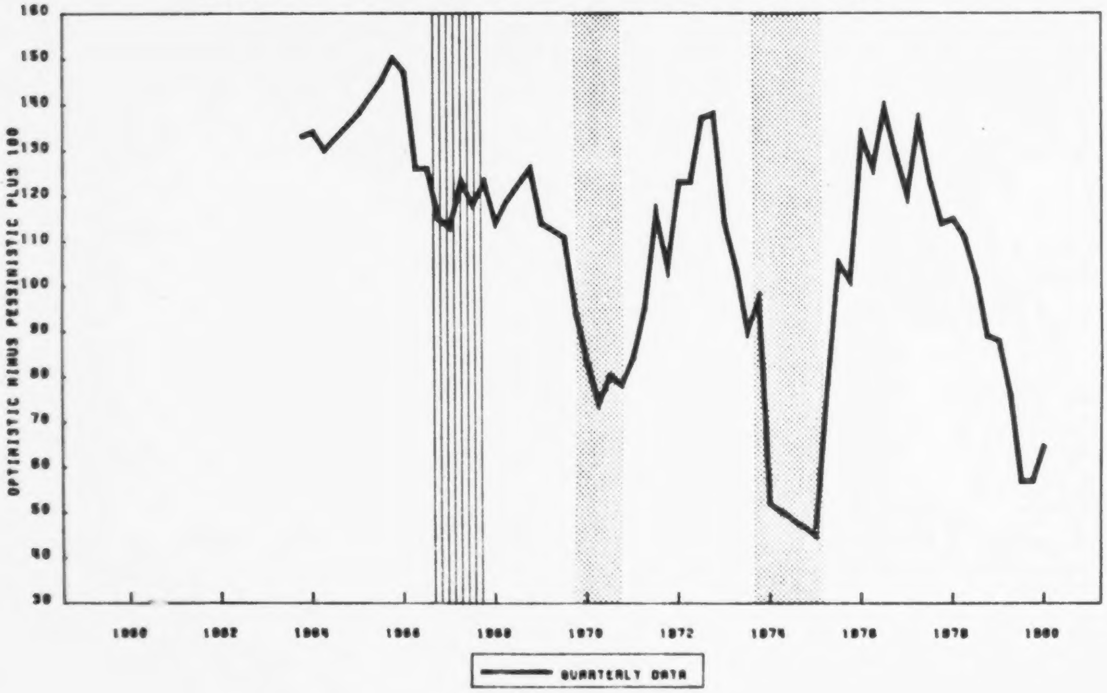

TABLE 15

TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980	FEB. 1980
B/B+	9%	5%	8%	7%	6%	3%	4%	5%	6%	4%	6%	6%	8%
B/S, S/B	21	20	17	17	13	13	13	14	13	12	11	10	12
S/S	9	8	8	10	7	5	5	5	7	8	6	9	6
W/S, S/W	20	23	23	25	27	29	30	30	31	30	29	30	33
W/W	22	24	23	23	28	33	31	27	26	29	28	24	22
W/B, B/W	12	11	14	13	12	13	12	13	11	14	14	16	15
DK, NA	7	9	7	5	7	4	5	6	6	3	6	5	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

KEY: B=BETTER, S=SAME, W=WORSE, DK=DON'T KNOW, NA=NOT ASCERTAINED,

+ = BETTER THAN A YEAR AGO/WILL BE BETTER A YEAR FROM NOW.

CHART 16 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

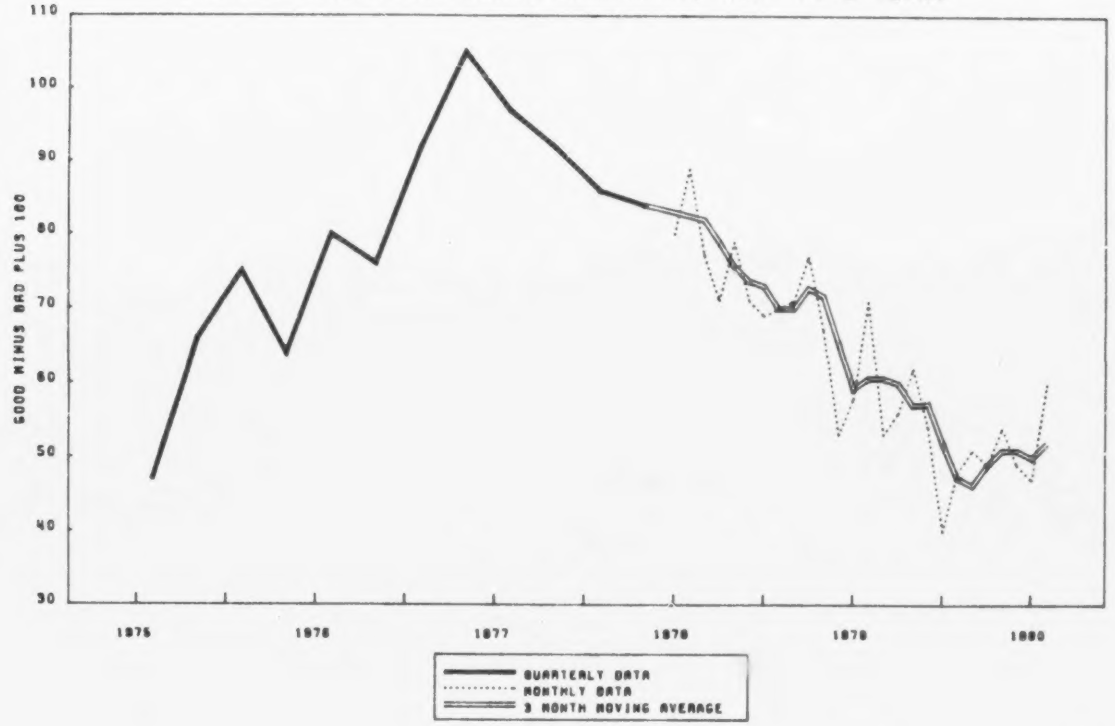

CHART 16 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

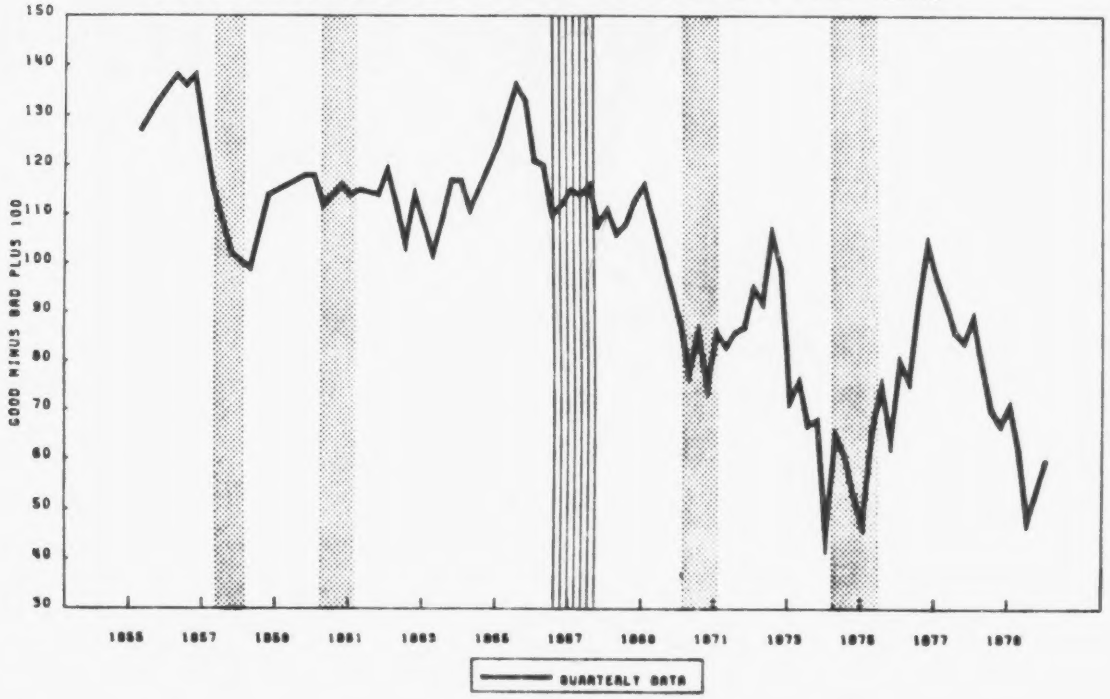

TABLE 16

BUSINESS CONDITIONS EXPECTED FOR NEXT FIVE YEARS

	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980	FEB. 1980
GOOD TIMES	23%	16%	18%	19%	14%	10%	14%	16%	16%	18%	15%	17%	21%
UNCERTAIN, GOOD & BAD	18	14	13	17	16	14	15	16	13	12	14	8	14
BAD TIMES	52	63	62	57	60	70	66	65	67	64	66	70	61
NA	7	7	7	7	10	6	5	3	4	6	5	5	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "LOOKING AHEAD, WHICH WOULD YOU SAY IS MORE LIKELY — THAT IN THE COUNTRY AS A WHOLE WE'LL HAVE CONTINUOUS GOOD TIMES DURING THE NEXT 5 YEARS OR SO, OR THAT WE WILL HAVE PERIODS OF WIDESPREAD UNEMPLOYMENT OR DEPRESSION, OR WHAT?"

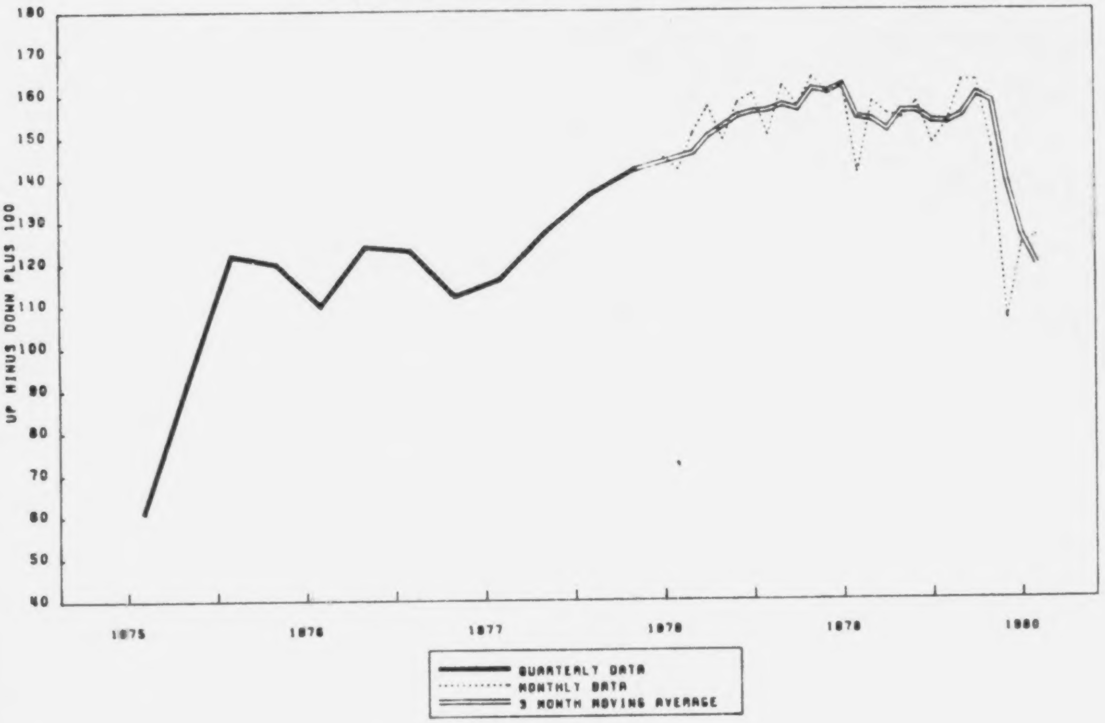
CHART 17 - RECENT CHANGES
EXPECTED CHANGE IN INTEREST RATES

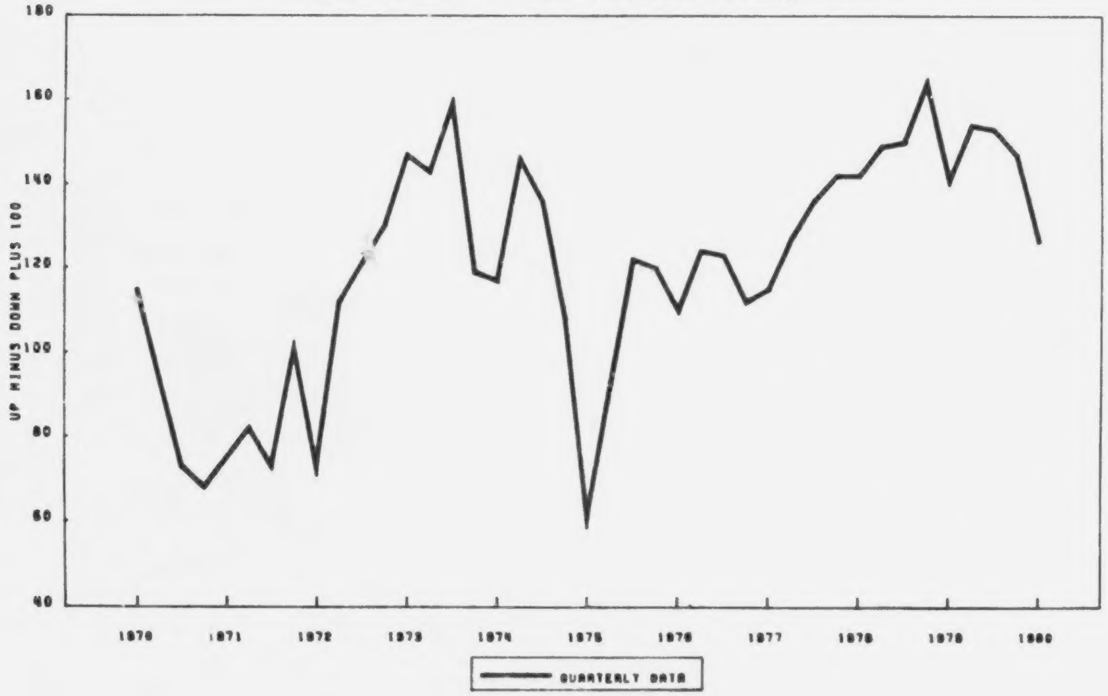
CHART 17 - HISTORICAL SERIES
EXPECTED CHANGE IN INTEREST RATES

TABLE 17

EXPECTED CHANGE IN INTEREST RATES

	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980	FEB. 1980
GO UP	54%	65%	63%	61%	66%	60%	61%	70%	70%	62%	40%	45%	47%
STAY THE SAME	27	23	25	27	22	25	26	20	20	20	22	30	29
GO DOWN	13	7	8	7	8	12	8	7	7	15	34	21	21
DK, NA	6	5	4	5	4	3	5	3	3	3	4	4	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "NO ONE CAN SAY FOR SURE, BUT WHAT DO YOU THINK WILL HAPPEN TO INTEREST RATES FOR BORROWING DURING THE NEXT 12 MONTHS?"

CHART 18 - RECENT CHANGES
EXPECTED CHANGE IN UNEMPLOYMENT

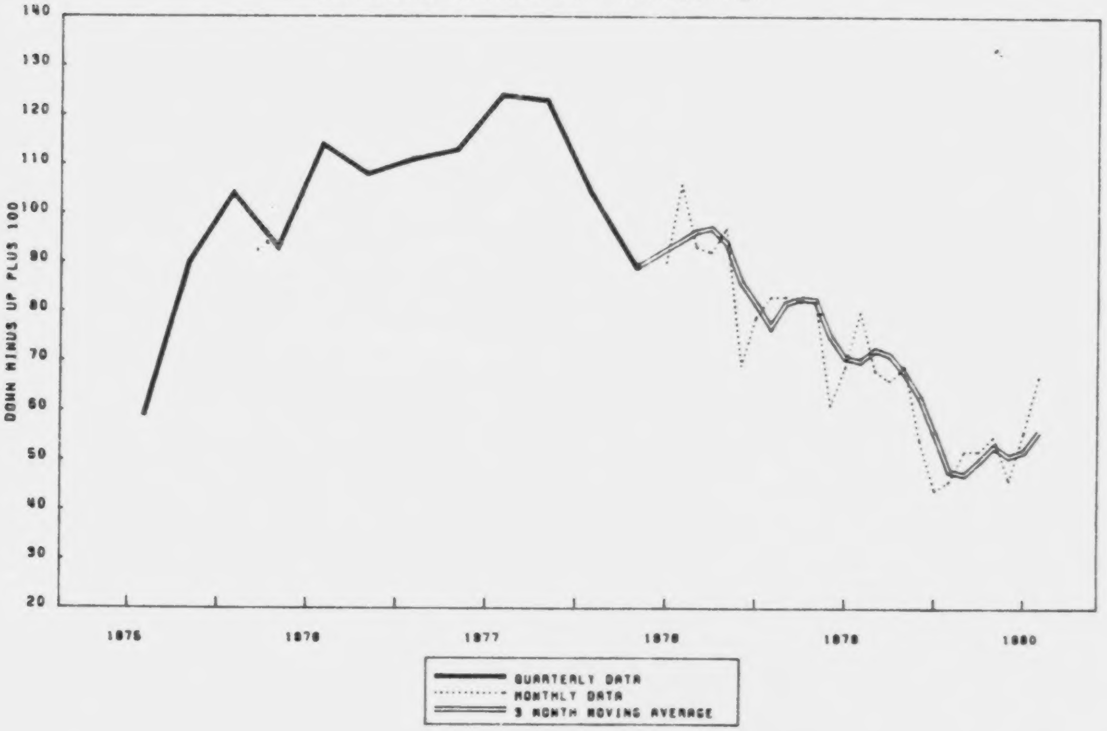

CHART 18 - HISTORICAL SERIES
EXPECTED CHANGE IN UNEMPLOYMENT

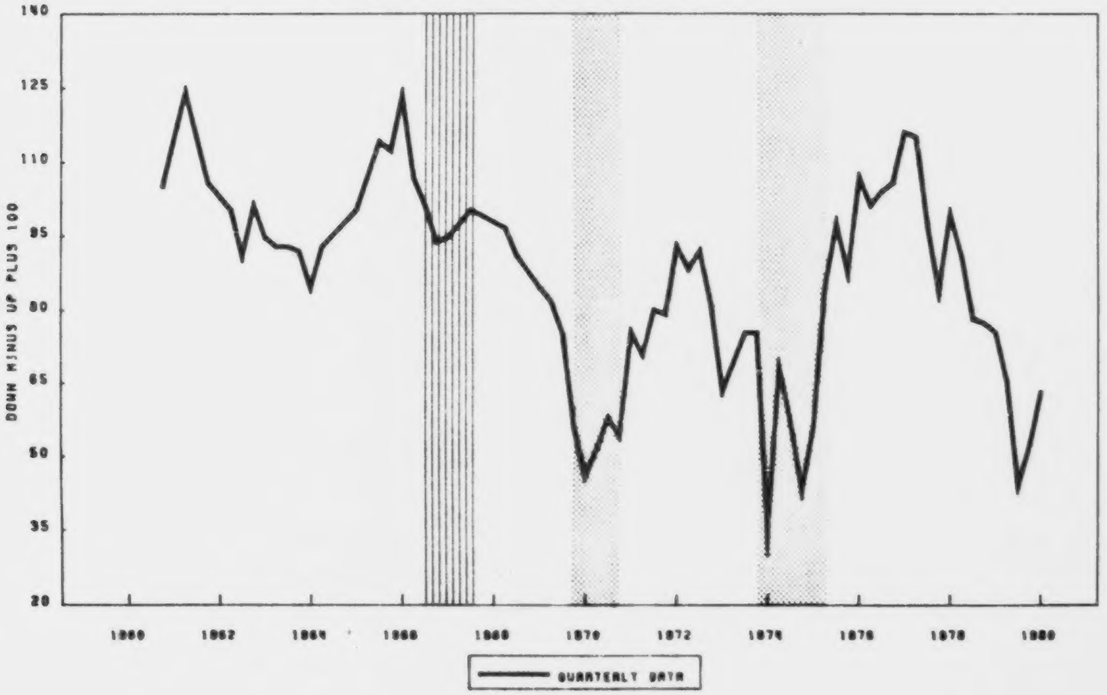

TABLE 18

EXPECTED CHANGE IN UNEMPLOYMENT

	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980	FEB. 1980
LESS	14%	9%	11%	9%	6%	6%	7%	7%	7%	9%	7%	9%	13%
SAME	50	46	41	46	39	31	30	36	36	35	30	34	38
MORE	34	41	45	40	52	62	61	55	55	54	61	54	46
DK, NA	2	4	3	5	3	1	2	2	2	2	2	3	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: " HOW ABOUT PEOPLE OUT OF WORK DURING THE COMING 12 MONTHS — DO YOU THINK THAT THERE WILL BE MORE UNEMPLOYMENT THAN NOW, ABOUT THE SAME, OR LESS?"

CHART 19 - RECENT CHANGES

MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

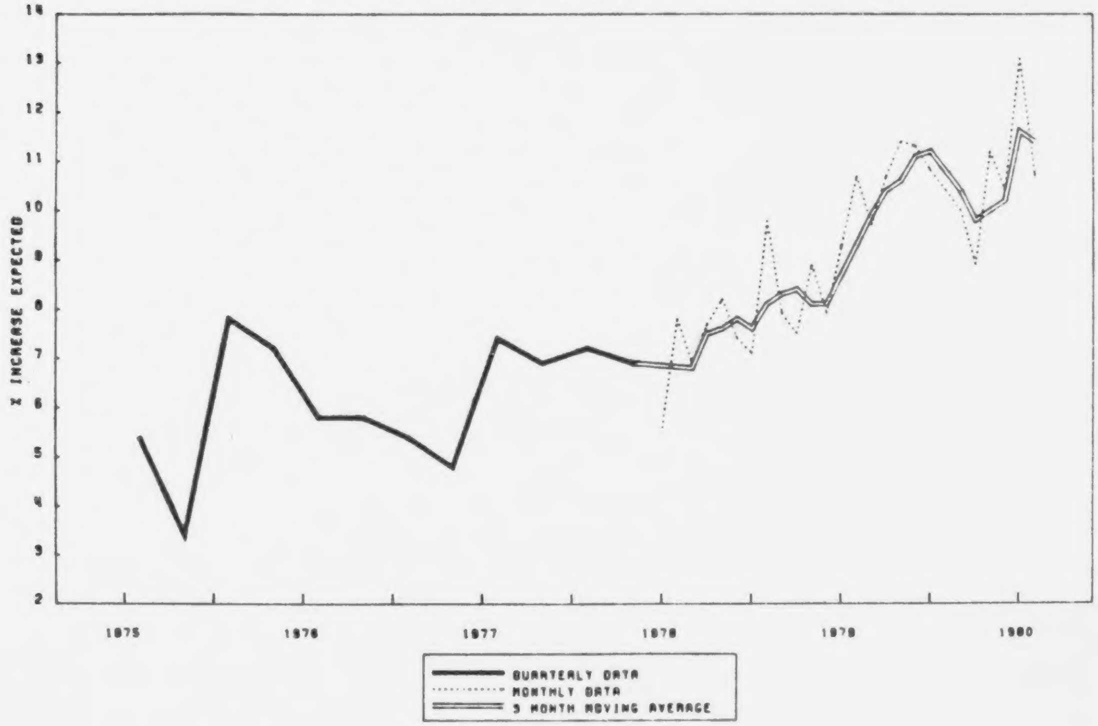

CHART 19 - HISTORICAL SERIES

MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

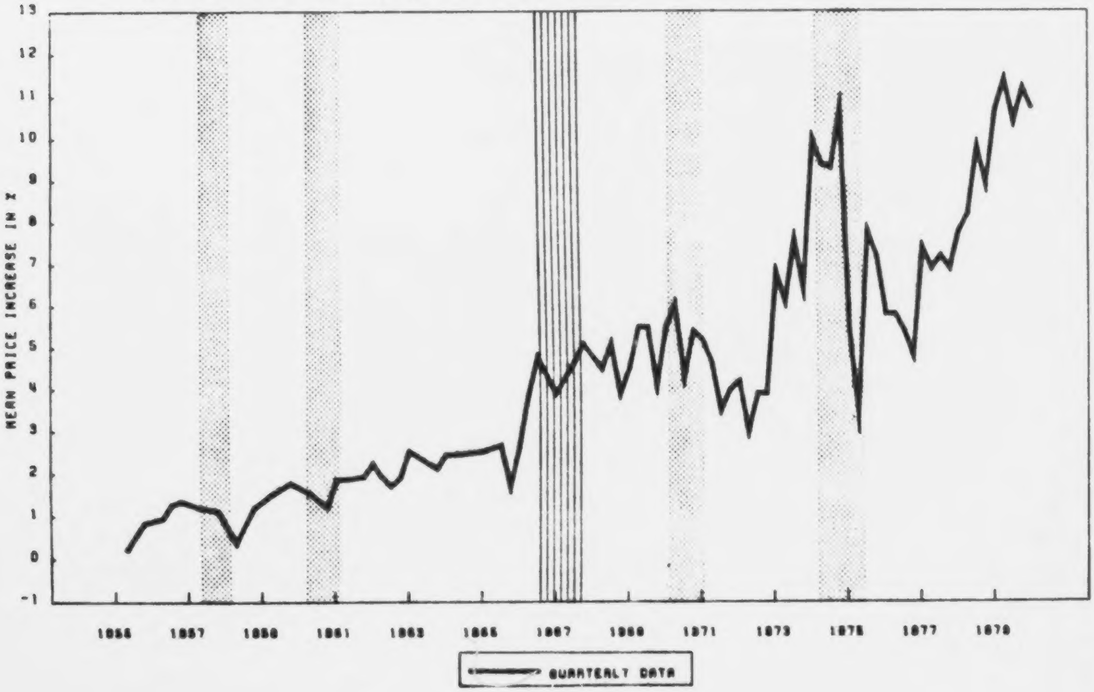

TABLE 19

EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980	FEB. 1980
SAME OR DOWN	11%	4%	6%	8%	10%	12%	13%	12%	13%	12%	15%	9%	8%
1 - 2% UP	2	5	4	3	3	2	2	5	4	2	2	2	4
3 - 4% UP	7	10	6	6	6	5	6	5	6	5	4	4	4
5% UP	9	8	11	10	8	10	9	8	10	7	7	7	11
6 - 9% UP	18	18	14	15	14	12	12	14	14	13	12	12	12
10% OR MORE	39	36	43	45	47	45	47	41	36	48	47	53	50
DK HOW MUCH UP	12	18	15	12	10	11	10	13	16	12	10	11	10
DK, NA	2	1	1	1	2	3	1	2	1	1	3	2	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	10.7	9.7	10.7	11.4	11.3	10.8	10.4	10.0	8.9	11.2	10.4	13.1	10.7

THE QUESTIONS WERE: "DURING THE NEXT 12 MONTHS, DO YOU THINK THAT PRICES IN GENERAL WILL GO UP, OR GO DOWN, OR STAY WHERE THEY ARE NOW?" (IF WILL GO UP) "BY ABOUT WHAT PERCENT DO YOU EXPECT PRICES TO GO UP, ON THE AVERAGE, DURING THE NEXT TWELVE MONTHS?"

TABLE 20

UNEMPLOYMENT OR INFLATION MORE SERIOUS

	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980	FEB. 1980
UNEMPLOYMENT	24%	27%	21%	18%	23%	26%	27%	26%	25%	24%	28%	26%	24%
EQUALLY SERIOUS	7	7	5	9	8	10	9	7	8	8	10	7	7
INFLATION	67	63	71	68	67	62	63	65	65	65	60	64	68
DK, NA	2	3	3	5	2	2	1	2	2	3	2	3	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "WHICH OF THE TWO PROBLEMS — UNEMPLOYMENT OR INFLATION — DO YOU THINK WILL CAUSE THE MORE SERIOUS ECONOMIC HARDSHIP FOR PEOPLE DURING THE NEXT YEAR OR SO?"

CHART 21 - RECENT CHANGES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

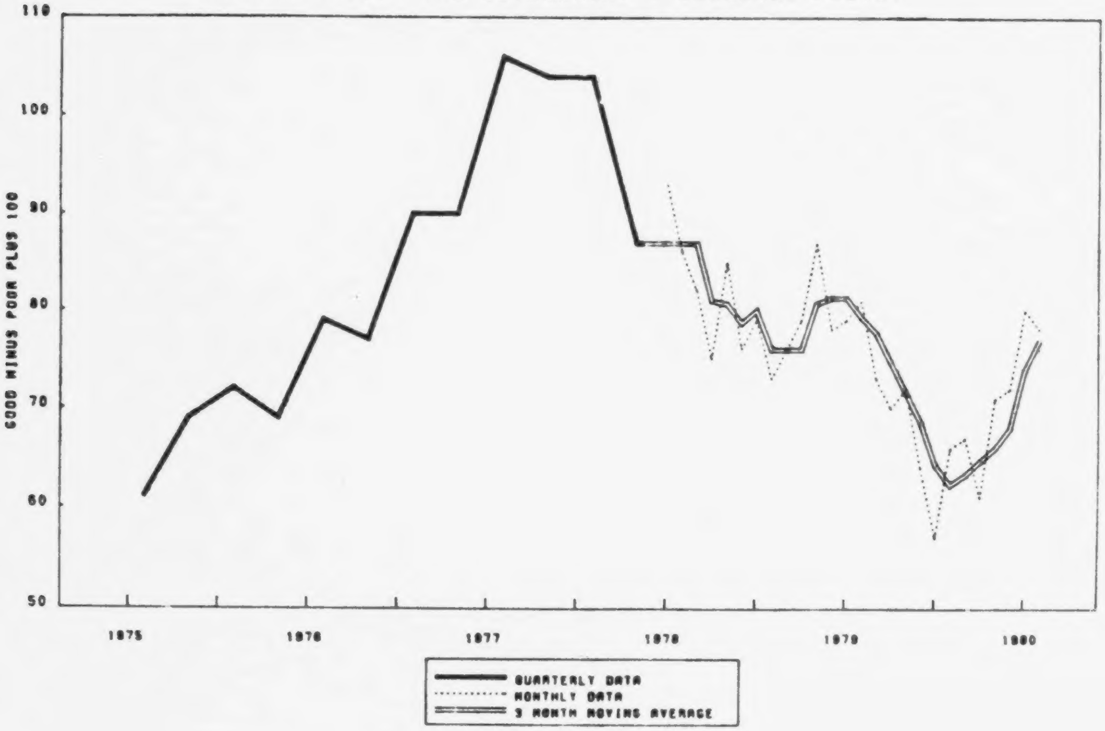

CHART 21 - HISTORICAL SERIES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

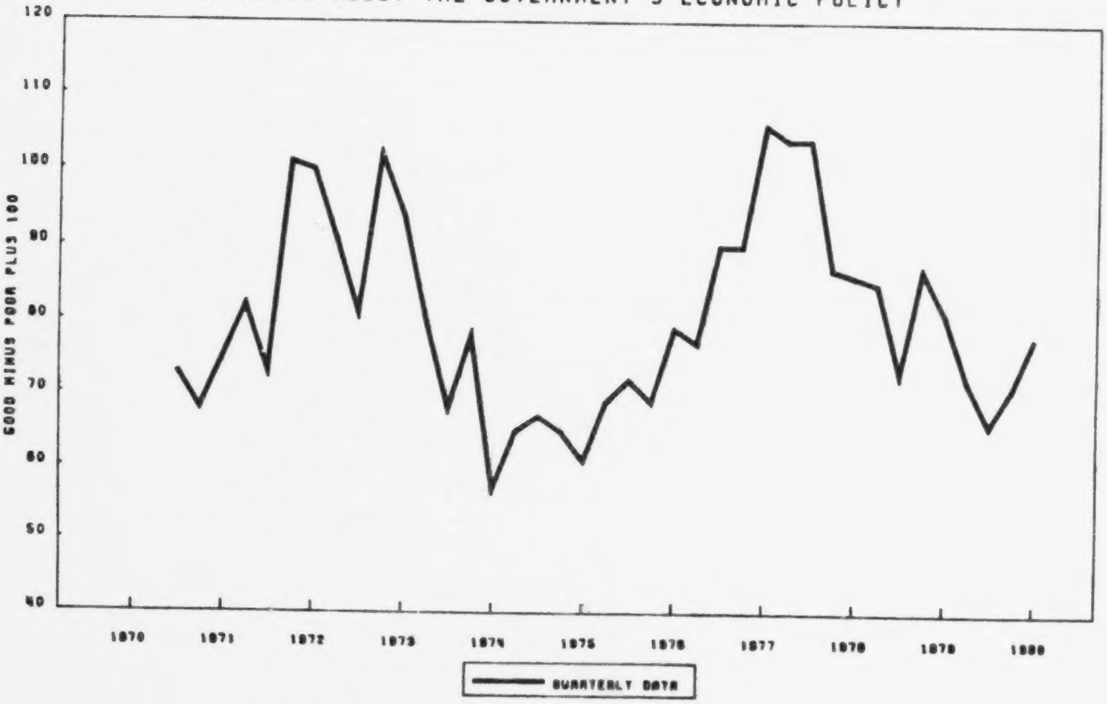

TABLE 21

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980	FEB. 1980
A GOOD JOB	12%	9%	9%	10%	7%	5%	8%	7%	6%	10%	9%	11%	12%
ONLY FAIR	54	50	48	48	47	43	48	51	46	47	50	54	51
A POOR JOB	31	36	39	38	43	48	42	40	45	39	37	31	34
DK, NA	3	5	4	4	3	4	2	2	3	4	4	4	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "AS TO THE ECONOMIC POLICY OF THE GOVERNMENT — I MEAN STEPS TAKEN TO FIGHT INFLATION OR UNEMPLOYMENT — WOULD YOU SAY THE GOVERNMENT IS DOING A GOOD JOB, ONLY FAIR, OR A POOR JOB?"

CHART 22 - RECENT CHANGES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

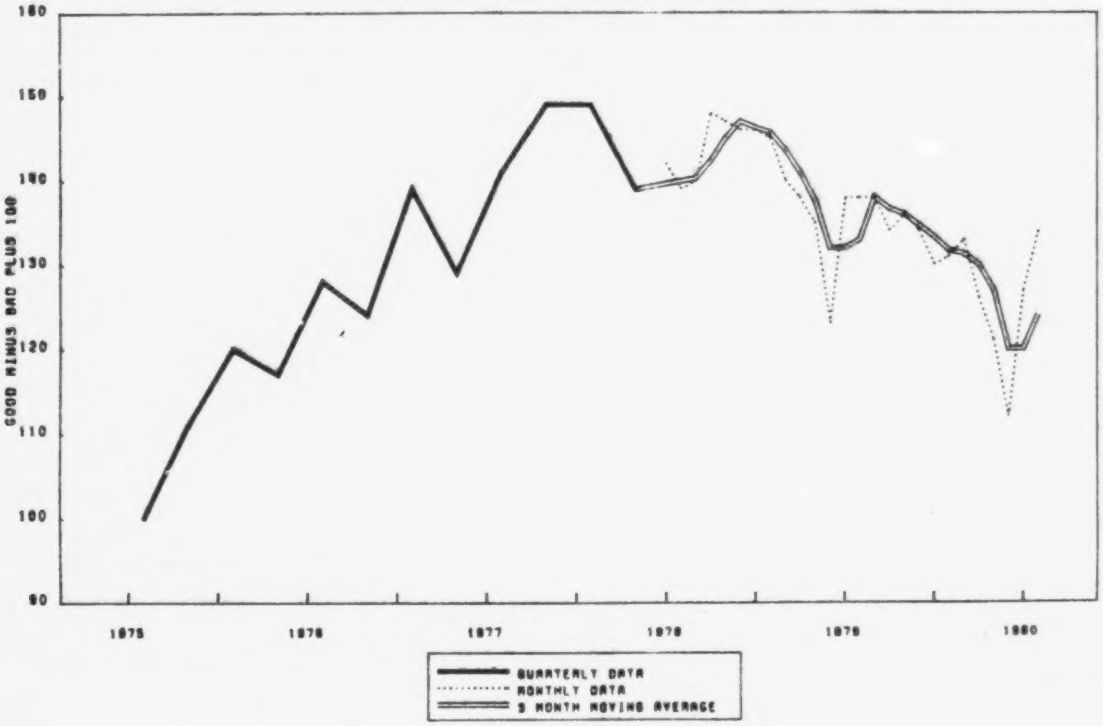

CHART 22 - HISTORICAL SERIES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

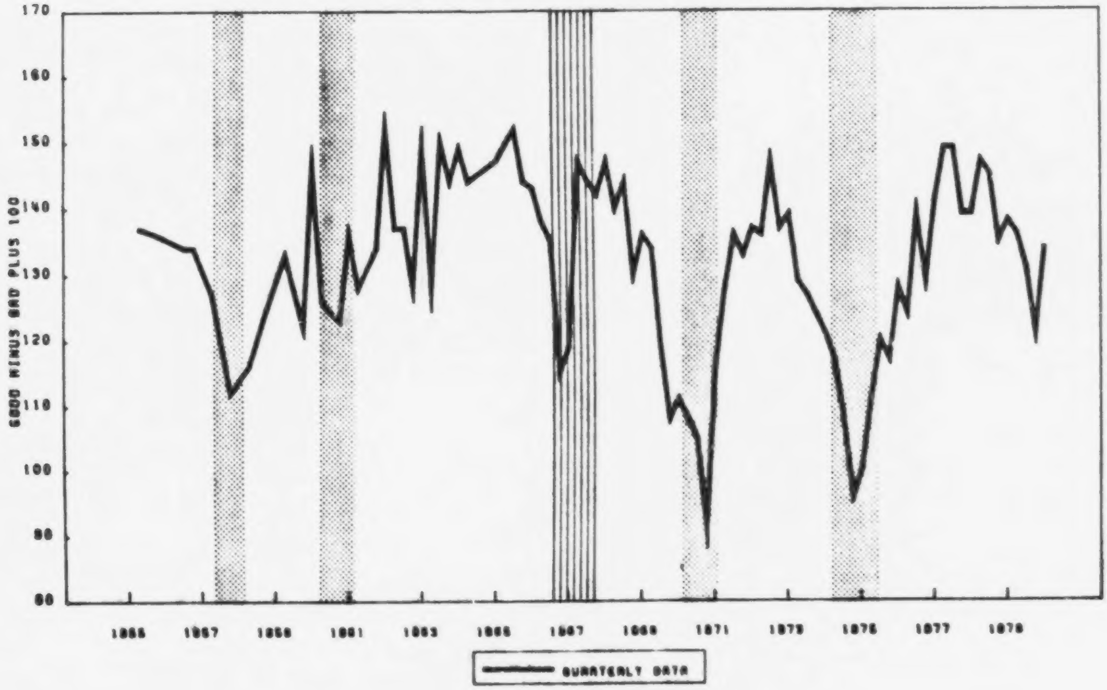

TABLE 22

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980	FEB. 1980
GOOD TIME TO BUY	61%	63%	61%	62%	62%	60%	58%	62%	58%	54%	53%	60%	60%
UNCERTAIN, DEPENDS	16	12	12	12	10	10	15	9	10	13	6	7	14
BAD TIME TO BUY	23	25	27	26	28	30	27	29	32	33	41	33	26
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "ABOUT THE BIG THINGS PEOPLE BUY FOR THEIR HOUSE -- SUCH AS FURNITURE, A REFRIGERATOR, STOVE, AND THINGS LIKE THAT. GENERALLY SPEAKING, DO YOU THINK NOW IS A GOOD TIME OR A BAD TIME TO BUY MAJOR HOUSEHOLD ITEMS?"

TABLE 23

SELECTED REASONS FOR OPINIONS ABOUT CURRENT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980	FEB. 1980
GOOD TIME TO BUY:													
PRICES ARE LOW; GOOD BUYS AVAILABLE	21%	11%	6%	17%	10%	9%	19%	13%	8%	18%	12%	17%	23%
PRICES GOING HIGHER; WON'T COME DOWN	35	50	53	35	46	46	33	42	48	27	38	47	33
BAD TIME TO BUY:													
PRICES ARE HIGH; GOING UP	18	14	15	18	20	19	18	18	18	18	26	20	16
CREDIT; HIGH INTEREST RATES	3	4	4	3	6	7	4	8	8	10	12	9	9

* = LESS THAN HALF OF ONE PERCENT.

RESPONSES TO THE QUERY "WHY DO YOU SAY SO?" FOLLOWING THE QUESTION NOTED IN THE PREVIOUS TABLE.

CHART 24 - RECENT CHANGES
BUYING CONDITIONS FOR HOUSES

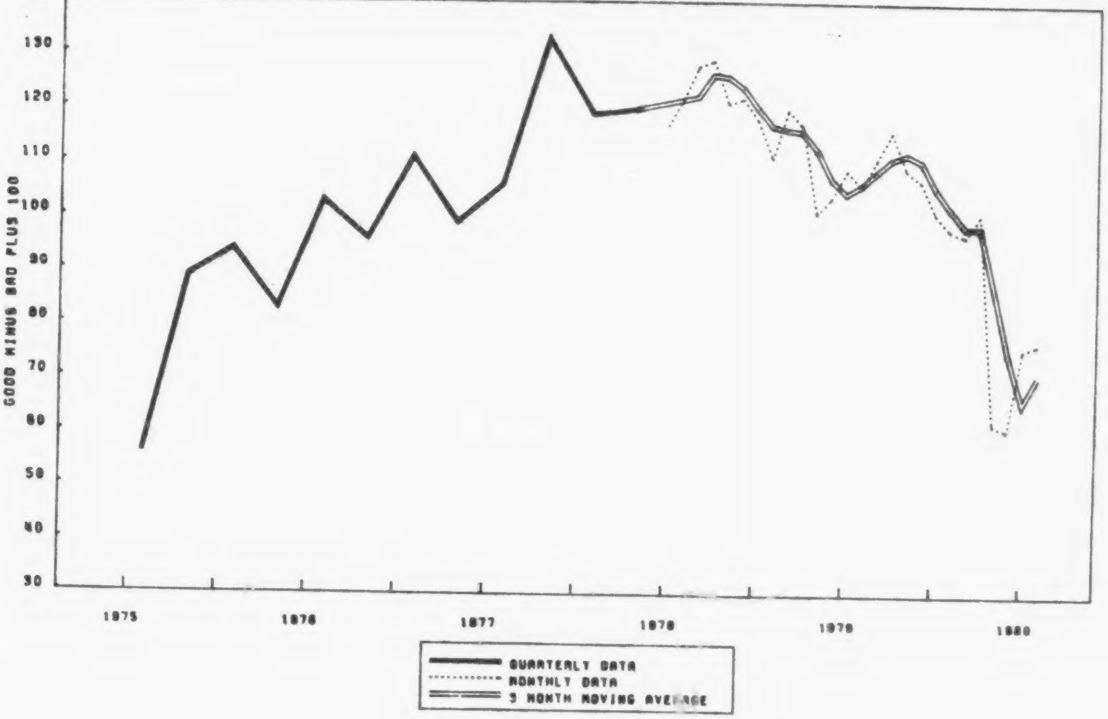

CHART 24 - HISTORICAL SERIES
BUYING CONDITIONS FOR HOUSES

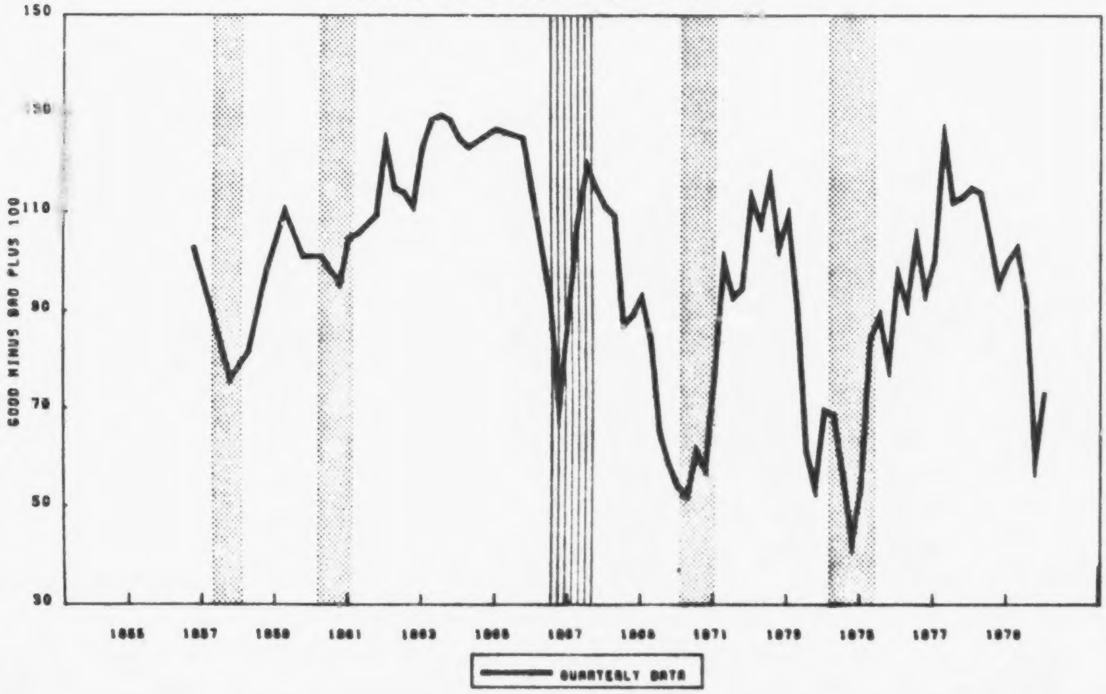

TABLE 24

BUYING CONDITIONS FOR HOUSES

	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980	FEB. 1980
GOOD TIME TO BUY	49%	50%	54%	51%	50%	48%	46%	46%	48%	28%	27%	36%	36%
UNCERTAIN, DEPENDS	8	11	8	7	7	5	6	5	5	6	7	4	5
BAD TIME TO BUY	43	39	38	42	43	47	48	49	47	66	66	60	59
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "GENERALLY SPEAKING, DO YOU THINK NOW IS A GOOD TIME OR A BAD TIME TO BUY A HOUSE?"

CHART 26 - RECENT CHANGES
BUYING CONDITIONS FOR CARS

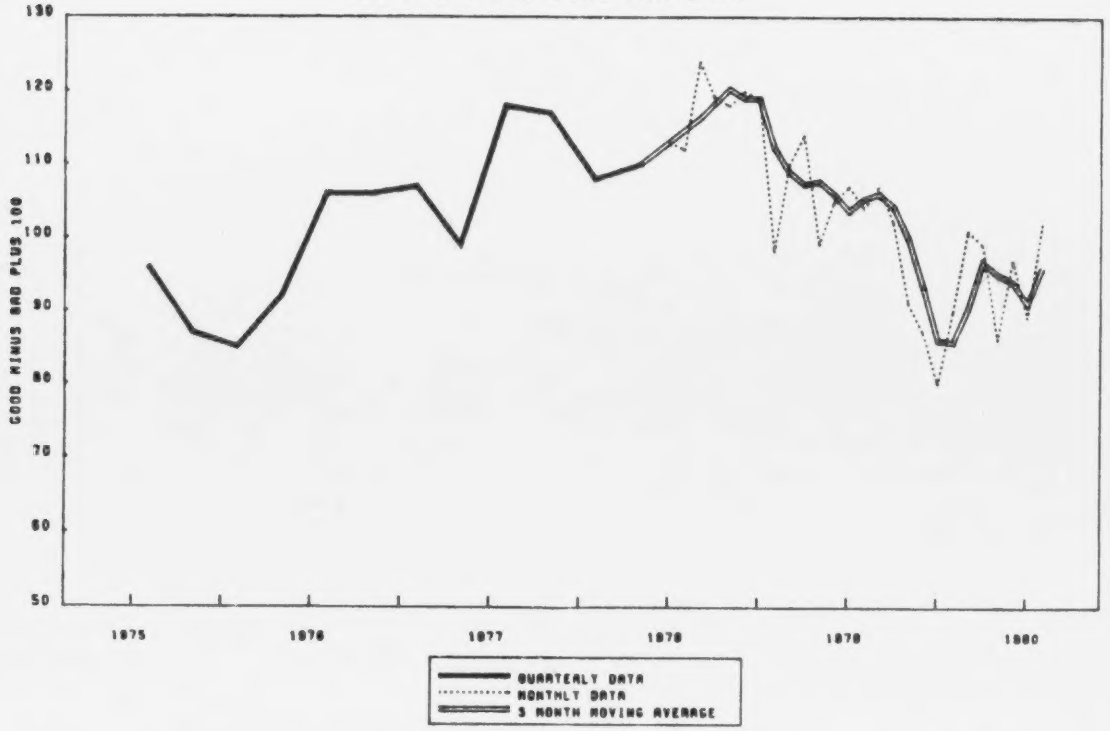

CHART 26 - HISTORICAL SERIES
BUYING CONDITIONS FOR CARS

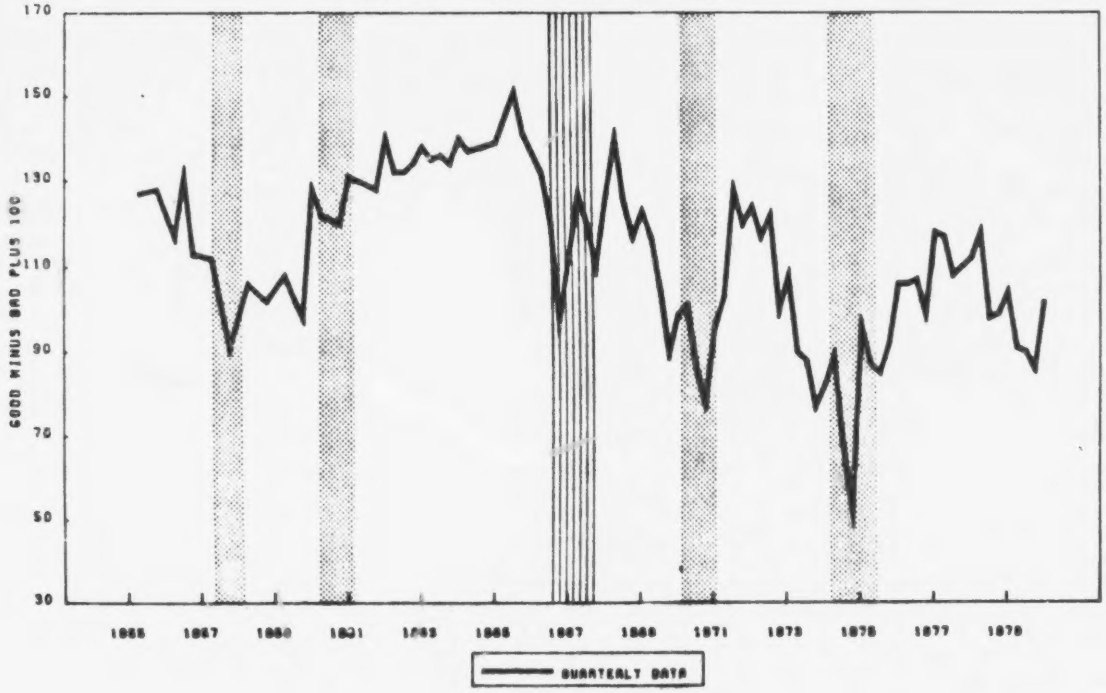

TABLE 26

BUYING CONDITIONS FOR CARS

	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980	FEB. 1980
GOOD TIME TO BUY	43%	47%	45%	39%	37%	32%	38%	44%	45%	38%	44%	39%	47%
UNCERTAIN, DEPENDS	18	13	12	13	13	16	14	12	9	10	9	11	8
BAD TIME TO BUY	39	40	43	48	50	52	48	44	46	52	47	50	45
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "SPEAKING NOW OF THE AUTOMOBILE MARKET — DO YOU THINK THE NEXT 12 MONTHS OR SO WILL BE A GOOD OR A BAD TIME TO BUY A CAR?"

TABLE 27

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

	FEB. 1979	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980	FEB. 1980
GOOD TIME TO BUY:													
PRICES ARE LOW; GOOD BUYS AVAILABLE	7%	5%	5%	6%	7%	13%	16%	18%	13%	13%	15%	12%	17%
PRICES GOING HIGHER; WON'T COME DOWN	29	35	30	22	21	17	14	21	23	16	21	22	19
NEW FUEL EFFICIENT MODELS	4	7	12	1[illegible]	12	13	11	9	8	8	10	8	14
BAD TIME TO BUY:													
PRICES ARE HIGH; MAY FALL LATER	30	23	21	26	25	28	27	25	27	30	27	31	22
CREDIT; HIGH INTEREST RATES	6	6	5	6	3	4	7	6	8	18	16	13	14
ENERGY; FUEL SHORTAGE	3	14	19	22	26	24	18	14	13	10	12	19	13

* = LESS THAN HALF OF ONE PERCENT.

RESPONSES TO THE QUERY "WHY DO YOU SAY SO?" FOLLOWING THE QUESTION NOTED IN THE PREVIOUS TABLE.

SURVEY RESEARCH CENTER · UNIVERSITY OF MICHIGAN

FEBRUARY 1980 SURVEY
ADVANCE REPORT

March 7, 1980

Surveys of Consumer Attitudes

Richard T. Curtin, *Director*

CONSUMER SENTIMENT REBOUNDS IN EARLY 1980

* The Index of consumer Sentiment was 66.9 in the February 1980 survey, unchanged from 67.0 in January, and up 3.6 points from November 1979. Although the February 1980 figure represents a modest improvement over mid-1979, the Index remains 7.0 points below the year ago level of 73.9. The increase in the Index of Consumer Sentiment was primarily due to more favorable ratings of buying conditions for durables, and more favorable business prospects.

* Among families with incomes of $15,000 or more, the Index of Consumer Sentiment stood at 60.2, up 3.1 points from November 1979, but 10.7 Index points below February 1979. Among families with incomes of $20,000 or more, the Index was up 2.5 points from November 1979, yet 13.5 points below the February 1979 reading.

* Expected changes in short-term business conditions improved in February 1980. Twenty-one percent expected business conditions to improve, compared with 15 percent in November 1979 and 14 percent in February 1979. Fewer families expect business conditions to worsen in the year ahead--27 percent in February 1980 compared with 36 percent in November 1979. The percentage of respondents expecting higher levels of unemployment in the next 12 months fell from 61 percent in December 1979 to 46 percent in February 1980.

* Price expectations fell from the record 13.1% in January 1980 to 10.7% in February 1980. The February 1980 reading is identical to a year ago. Thirty-eight percent expected price increases of 10-15% and 12 percent expected price increases over 15%.

*Attitudes toward buying conditions for durables, automobiles, and houses improved during the past 3 months. Buying conditions for durables were rated favorably by 60 percent in February 1980 (up from 54 percent in November 1979), auto buying conditions were rated favorably by 47 percent (up from 38 percent in November), and house buying conditions were rated favorably by 36 percent (up from 28 percent from November 1979).

* * *

The February 1980 survey indicates that the downward momentum in consumer attitudes and expectations has yielded to modest improvement. Although current business conditions continue to be rated unfavorably by the majority, expected changes in business conditions have grown more favorable during the past six-months. In early 1980, significantly fewer respondents expected increasing unemployment, despite the expected continuation of double digit inflation and interest rates. Buying attitudes, no longer dominated by buy-in-advance psychology, have posted improvements in response to price discounts.

The February survey obtained 1,019 interviews between January 28 and February 28, 1980.

Monitoring Economic Change Program
Institute for Social Research • P.O. Box 1248 • Ann Arbor, Michigan 48106 • (313) 763-5224

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SURVEYS OF CONSUMER ATTITUDES

SURVEY RESEARCH CENTER
UNIVERSITY OF MICHIGAN

Institute for Social Research

TABLES AND CHARTS

MARCH 1980

THE MARCH 1980 SURVEY IS THE 116TH IN A SERIES OF SURVEYS OF CONSUMER ATTITUDES CONDUCTED DURING THE LAST 30 YEARS. THE PURPOSE OF THESE SURVEYS IS TO MEASURE CHANGES IN CONSUMER ATTITUDES AND EXPECTATIONS, AND TO INCREASE UNDERSTANDING OF WHY THESE CHANGES OCCUR AND HOW THEY AFFECT CONSUMER DECISIONS TO MAKE DISCRETIONARY PURCHASES OR TO SAVE. THIS TYPE OF UNDERSTANDING IS AN ESSENTIAL INGREDIENT FOR FORECASTING CHANGES IN AGGREGATE CONSUMER BEHAVIOR.

TWO CHARTS ARE PRESENTED FOR EVERY QUESTION. ONE GIVES QUARTERLY RESULTS FROM 1955 TO THE LAST QUARTERLY OBSERVATION. A SECOND CHART SHOWS MONTHLY RESULTS SINCE JANUARY OF 1978, WHEN THIS SERIES WAS INSTITUTED, ALONG WITH A SIMPLE THREE MONTH MOVING AVERAGE PLOTTED ON THE LAST OF THE THREE MONTHS.

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CHART/ TABLE	TITLE
1	THE INDEX OF CONSUMER SENTIMENT
3	COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT
4	CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO
5	SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION
6	EXPECTED CHANGE IN FINANCIAL SITUATION
7	TREND IN PERSONAL FINANCIAL SITUATION
10	EXPECT INCOME UP MORE OR LESS THAN PRICES NEXT YEAR
11	NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS
12	BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS
13	CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO
14	EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR
15	TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS
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17	EXPECTED CHANGE IN INTEREST RATES
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19	EXPECTED PRICE INCREASES DURING THE NEXT 12 MONTHS
20	UNEMPLOYMENT OR INFLATION MORE SERIOUS
21	OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY
22	BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS
23	SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS
24	BUYING CONDITIONS FOR HOUSES
26	BUYING CONDITIONS FOR CARS
27	SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

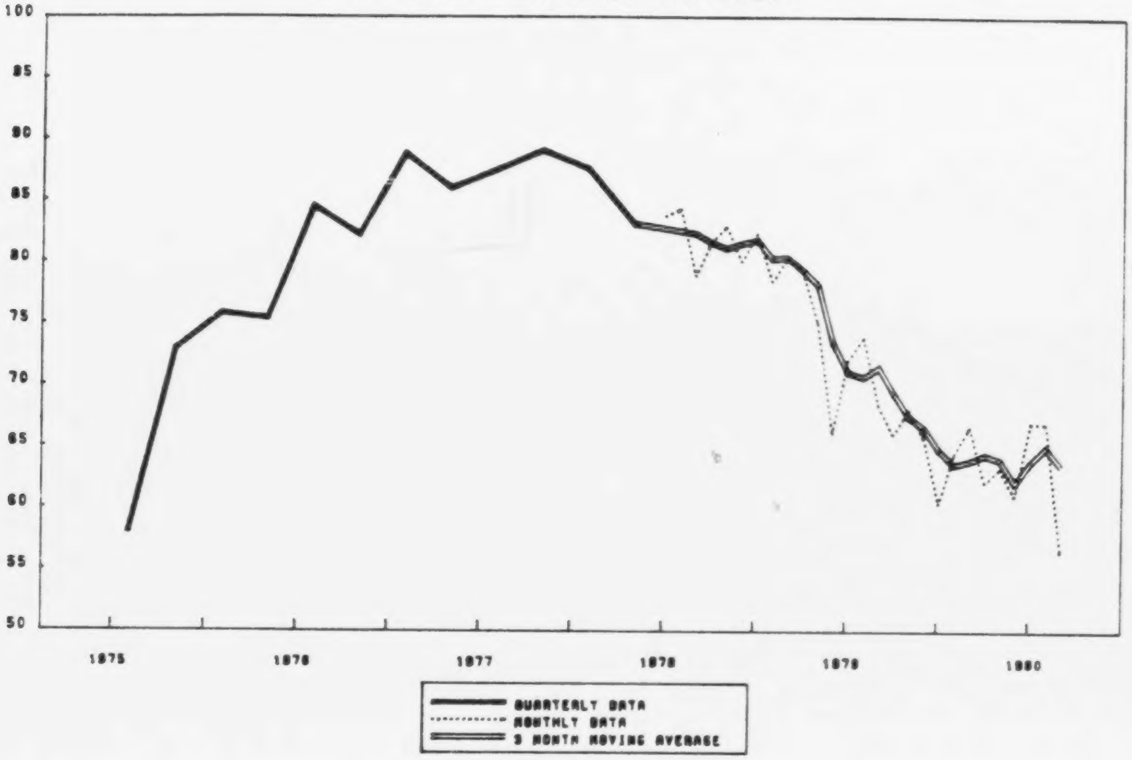

CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

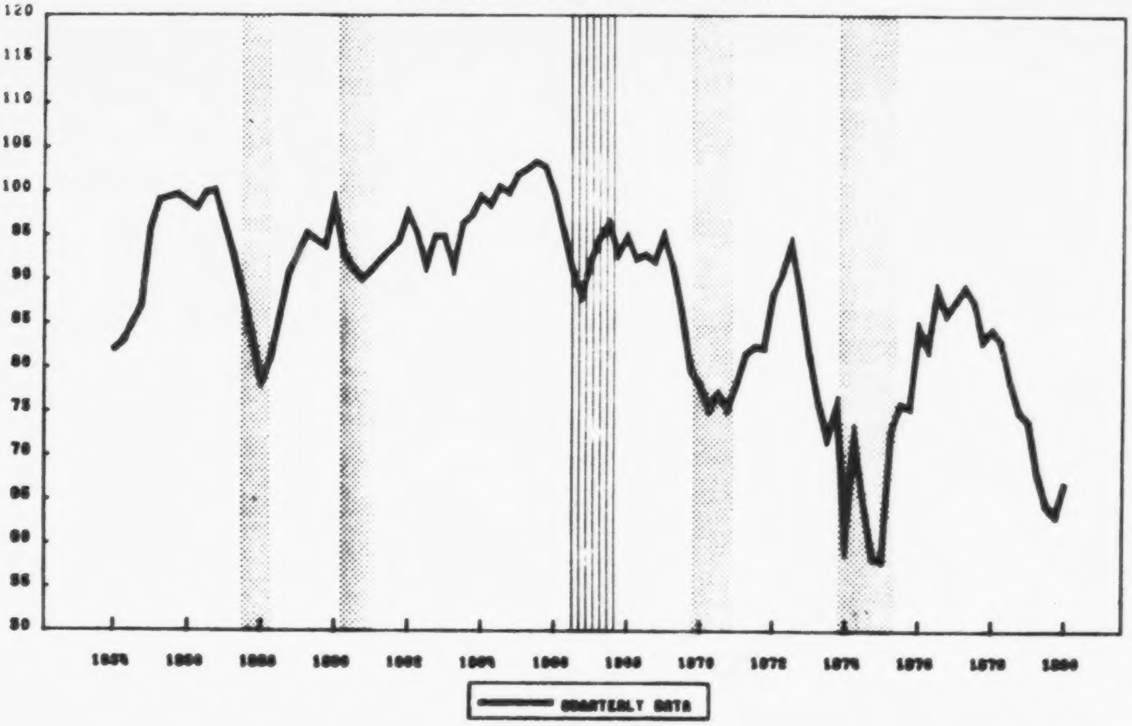

CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT

TABLE 1

THE INDEX OF CONSUMER SENTIMENT

DATE OF STUDY	ALL FAMILIES	INCOME $15,000+
FEBRUARY 1974	60.9	56.3
MAY 1974	72.0	65.4
AUG-SEPT. 1974	64.5	55.0
OCTOBER 1974	58.4	55.4
FEBRUARY 1975	58.0	53.6
MAY 1975	72.9	66.2
AUG-SEPT. 1975	75.8	71.1
OCT-NOV. 1975	75.4	70.6
FEBRUARY 1976	84.5	78.1
MAY 1976	82.2	82.5
AUG-SEPT. 1976	88.8	87.3
NOV-DEC. 1976	86.0	80.9
FEBRUARY 1977	87.5	87.3
MAY 1977	89.1	84.0
AUG-SEPT. 1977	87.6	85.3
NOV-DEC. 1977	83.1	81.1
JANUARY 1978	83.7	80.3
FEBRUARY 1978	84.3	83.2
MARCH 1978	78.8	74.3
APRIL 1978	81.6	80.4
MAY 1978	82.9	74.7
JUNE 1978	80.0	77.8
JULY 1978	82.4	79.6
AUGUST 1978	78.4	72.5
SEPTEMBER 1978	80.4	76.1
OCTOBER 1978	79.3	76.1
NOVEMBER 1978	75.0	67.7
DECEMBER 1978	66.1	61.2
JANUARY 1979	72.1	68.4
FEBRUARY 1979	73.9	70.9
MARCH 1979	68.4	65.2
APRIL 1979	66.0	61.4
MAY 1979	68.1	62.1
JUNE 1979	65.8	60.1
JULY 1979	60.4	55.7
AUGUST 1979	64.5	59.1
SEPTEMBER 1979	66.7	58.5
OCTOBER 1979	62.1	56.5
NOVEMBER 1979	63.3	57.2
DECEMBER 1979	61.0	51.6
JANUARY 1980	67.0	58.7
FEBRUARY 1980	66.9	60.2
MARCH 1980	56.5	51.3

TABLE 3
COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT **

DATE	1*	2*	3*	4*	5*	CURRENT (1,5)	EXPECTED (2,3,4)
FEBRUARY 1976	103	124	118	79	128	90.2	81.0
MAY 1976	100	118	120	76	124	87.5	78.9
AUG-SEPT. 1976	105	119	127	92	139	95.1	84.9
NOV-DEC. 1976	96	115	117	105	129	87.9	84.5
FEBRUARY 1977	99	121	115	97	141	93.6	84.5
MAY 1977	108	115	118	92	149	100.0	81.8
AUG-SEPT. 1977	107	116	115	86	149	99.7	79.8
NOV-DEC. 1977	107	107	104	84	139	95.9	74.5
JANUARY 1978	105	114	106	80	142	96.2	75.7
FEBRUARY 1978	106	109	108	89	139	95.4	77.1
MARCH 1978	100	107	91	77	140	93.2	69.5
APRIL 1978	104	112	98	71	148	97.9	71.1
MAY 1978	105	111	99	79	147	98.2	73.0
JUNE 1978	107	102	97	71	146	98.4	68.1
JULY 1978	108	111	105	69	146	98.7	71.9
AUGUST 1978	102	112	82	70	145	96.1	67.0
SEPTEMBER 1978	109	108	96	71	140	96.9	69.7
OCTOBER 1978	96	104	103	77	138	91.2	71.6
NOVEMBER 1978	106	105	74	67	135	94.1	62.8
DECEMBER 1978	95	97	61	53	123	85.2	53.7
JANUARY 1979	100	99	72	58	138	93.3	58.4
FEBRUARY 1979	99	98	75	71	138	92.2	62.2
MARCH 1979	96	99	57	53	138	91.2	53.7
APRIL 1979	85	90	63	56	134	85.9	53.3
MAY 1979	91	95	58	62	136	88.7	54.9
JUNE 1979	92	91	54	55	134	88.2	51.4
JULY 1979	89	92	39	40	130	85.7	44.2
AUGUST 1979	95	98	46	48	131	88.2	49.3
SEPTEMBER 1979	90	98	60	51	133	87.1	53.6
OCTOBER 1979	82	96	48	49	126	81.6	49.5
NOVEMBER 1979	86	97	52	54	120	80.9	52.0
DECEMBER 1979	81	99	52	50	112	75.7	52.0
JANUARY 1980	96	106	58	47	127	87.1	54.1
FEBRUARY 1980	85	99	55	60	134	85.5	54.9
MARCH 1980	76	92	38	41	116	75.3	44.3

PERSONAL FINANCIAL ATTITUDES
   1* BETTER OR WORSE OFF THAN A YEAR AGO
   2* EXPECT TO BE BETTER OR WORSE OFF IN A YEAR
EXPECTED BUSINESS CONDITIONS
   3* NEXT 12 MONTHS
   4* NEXT 5 YEARS
MARKET CONDITIONS
   5* BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

**PERCENT SAYING "GOOD TIMES" (OR "BETTER"), MINUS PERCENT SAYING "BAD TIMES" (OR "WORSE"), PLUS 100.

CHART 4 - RECENT CHANGES

CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

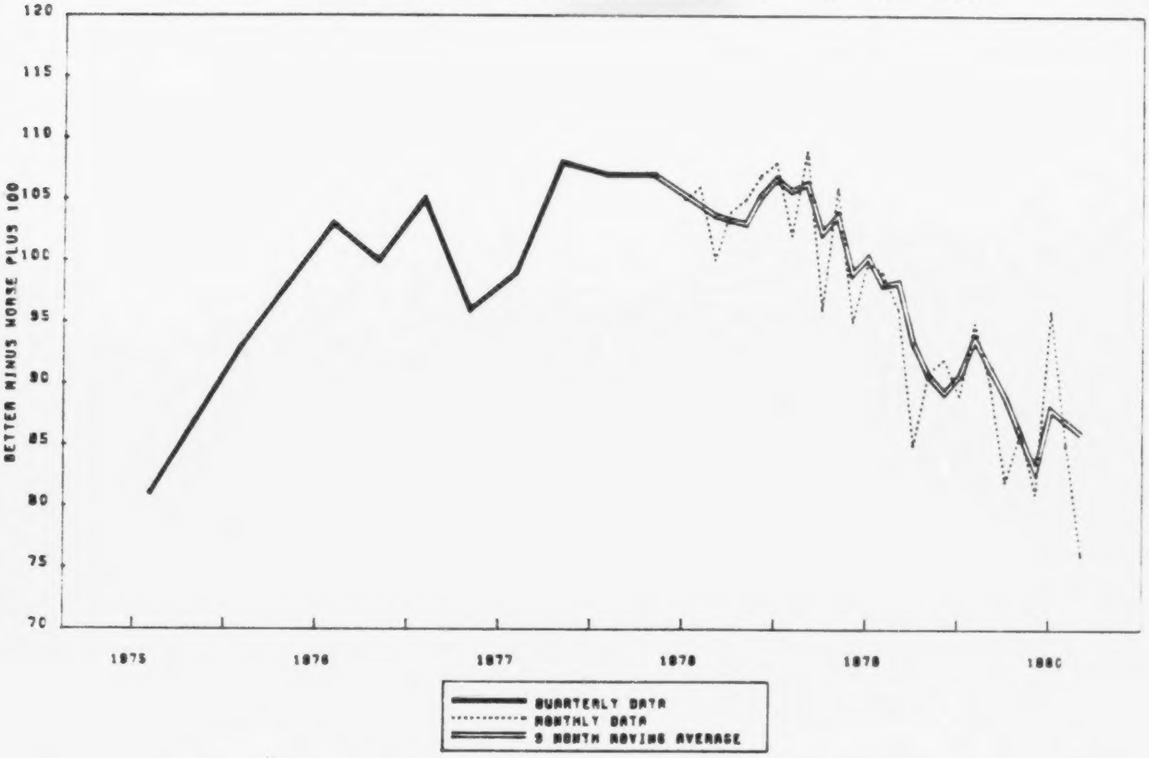

CHART 4 - HISTORICAL SERIES

CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

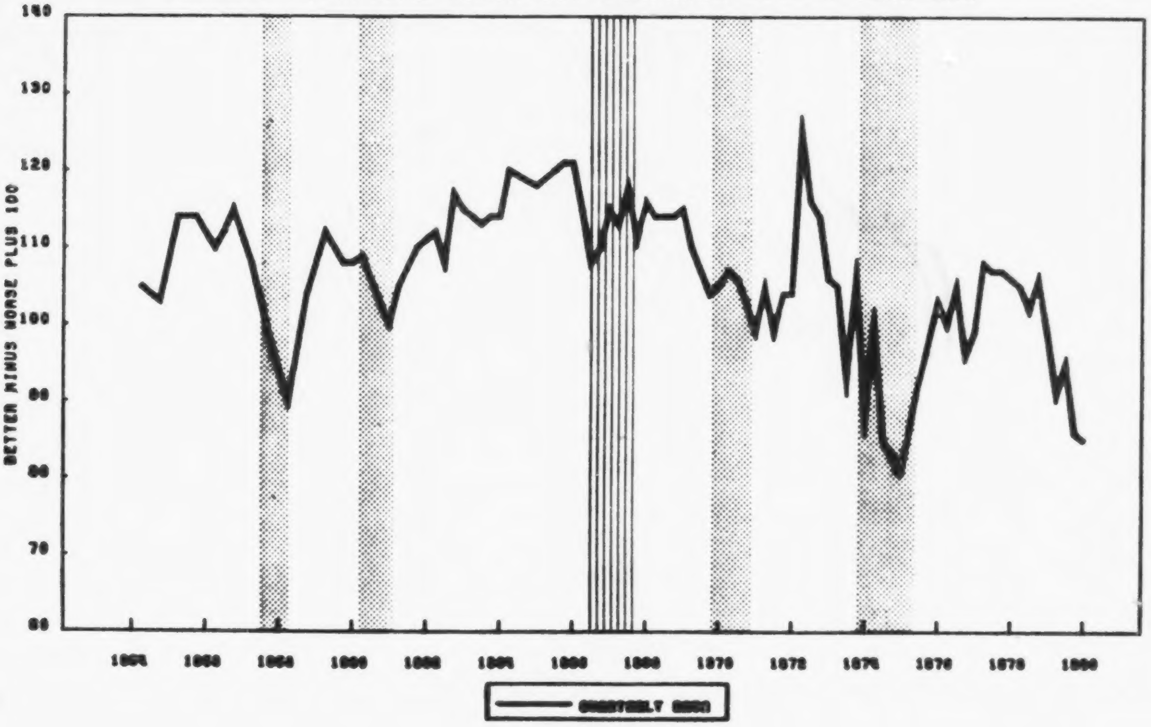

TABLE 4

CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980	FEB. 1980	MAR. 1980
BETTER OFF	32%	30%	31%	34%	31%	33%	31%	28%	30%	27%	34%	30%	24%
SAME	32	24	29	24	27	28	27	26	25	26	28	25	28
WORSE OFF	36	45	40	42	42	38	41	46	44	46	38	45	48
DK, NA	*	1	*	*	*	1	1	*	1	1	*	*	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

* = LESS THAN HALF OF ONE PERCENT.

THE QUESTION WAS: "WE ARE INTERESTED IN HOW PEOPLE ARE GETTING ALONG FINANCIALLY THESE DAYS. WOULD YOU SAY THAT YOU (AND YOUR FAMILY LIVING THERE) ARE BETTER OFF OR WORSE OFF FINANCIALLY THAN YOU WERE A YEAR AGO?"

CHART 5 - RECENT CHANGES

REASONS FOR FINANCIAL SITUATION COMPARED TO A YEAR AGO

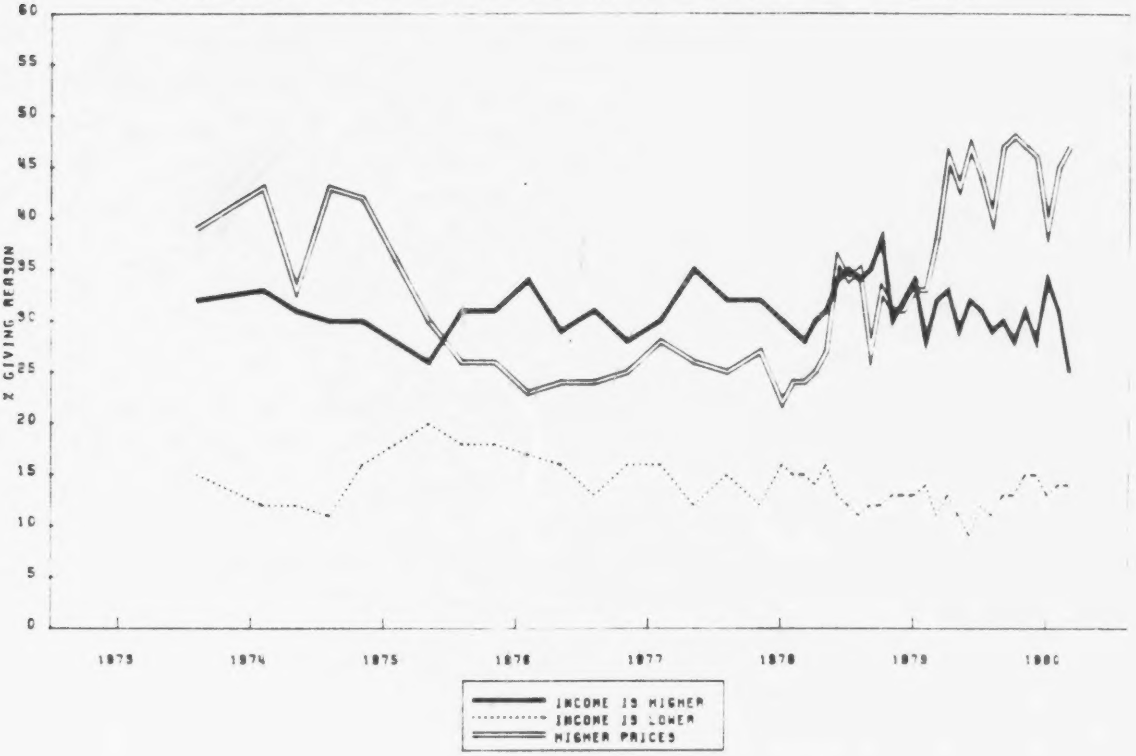

TABLE 5

SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION NOW COMPARED TO A YEAR AGO

	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980	FEB. 1980	MAR. 1980
BETTER OFF BECAUSE:													
INCOME IS HIGHER	32%	33%	29%	32%	31%	29%	30%	28%	31%	28%	34%	31%	25%
WORSE OFF BECAUSE:													
INCOME IS LOWER	11	13	11	9	12	11	13	13	15	15	13	14	14
HIGHER PRICES	38	46	43	47	44	40	47	48	47	46	39	45	47

RESPONSES TO THE QUERY "WHY DO YOU SAY SO?" FOLLOWING THE QUESTION NOTED IN THE PREVIOUS TABLE.

CHART 6 - RECENT CHANGES
EXPECTED CHANGE IN FINANCIAL SITUATION

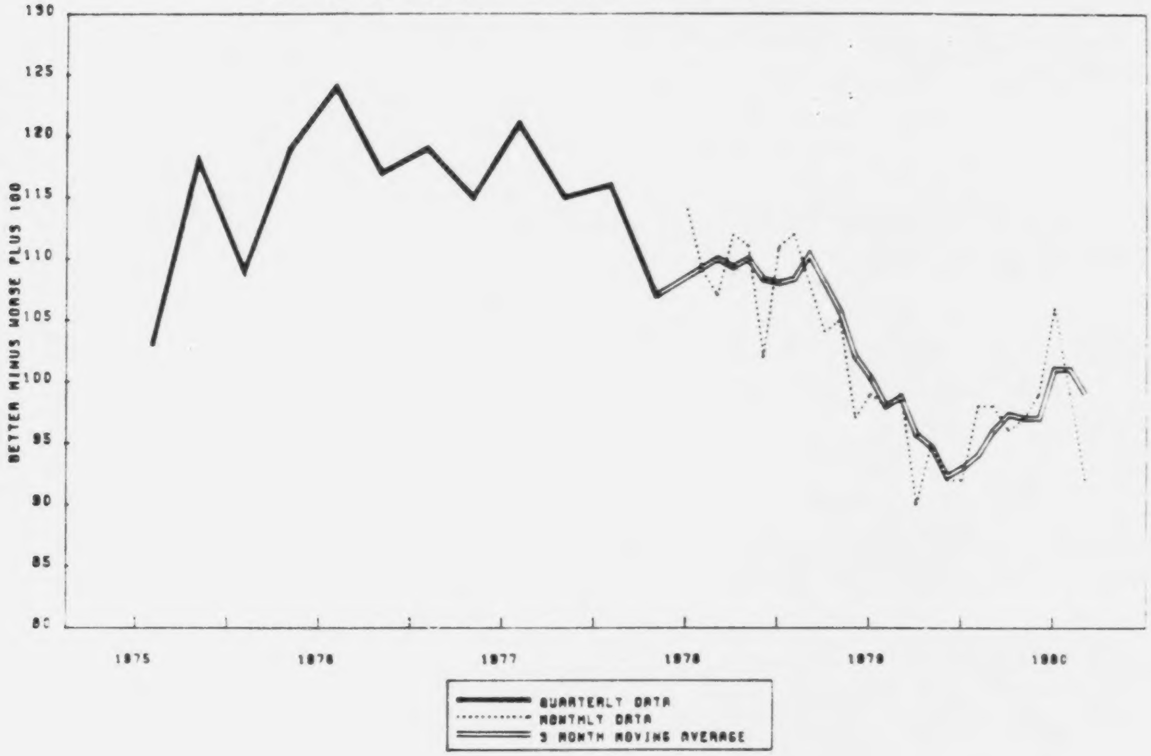

CHART 6 - HISTORICAL SERIES
EXPECTED CHANGE IN FINANCIAL SITUATION

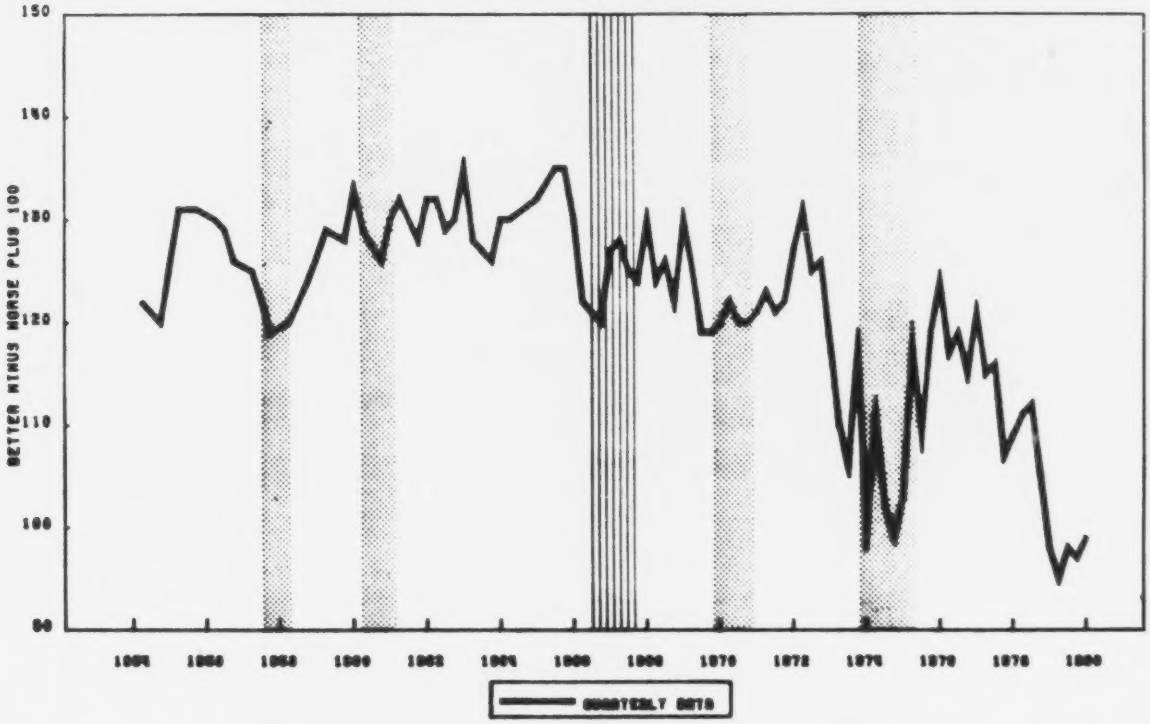

TABLE 6

EXPECTED CHANGE IN FINANCIAL SITUATION

	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980	FEB. 1980	MAR. 1980
BETTER OFF	24%	21%	21%	21%	20%	23%	24%	24%	21%	25%	28%	25%	20%
SAME	48	45	49	46	49	50	47	45	53	44	46	45	47
WORSE OFF	25	31	26	29	28	25	26	28	24	26	22	26	28
DK/NA	3	3	4	4	3	2	3	3	2	5	4	4	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "NOW LOOKING AHEAD - DO YOU THINK THAT A YEAR FROM NOW YOU (AND YOUR FAMILY LIVING THERE) WILL BE BETTER OFF FINANCIALLY, OR WORSE OFF, OR JUST ABOUT THE SAME AS NOW?"

CHART 7 - RECENT CHANGES
TREND IN PERSONAL FINANCIAL SITUATION

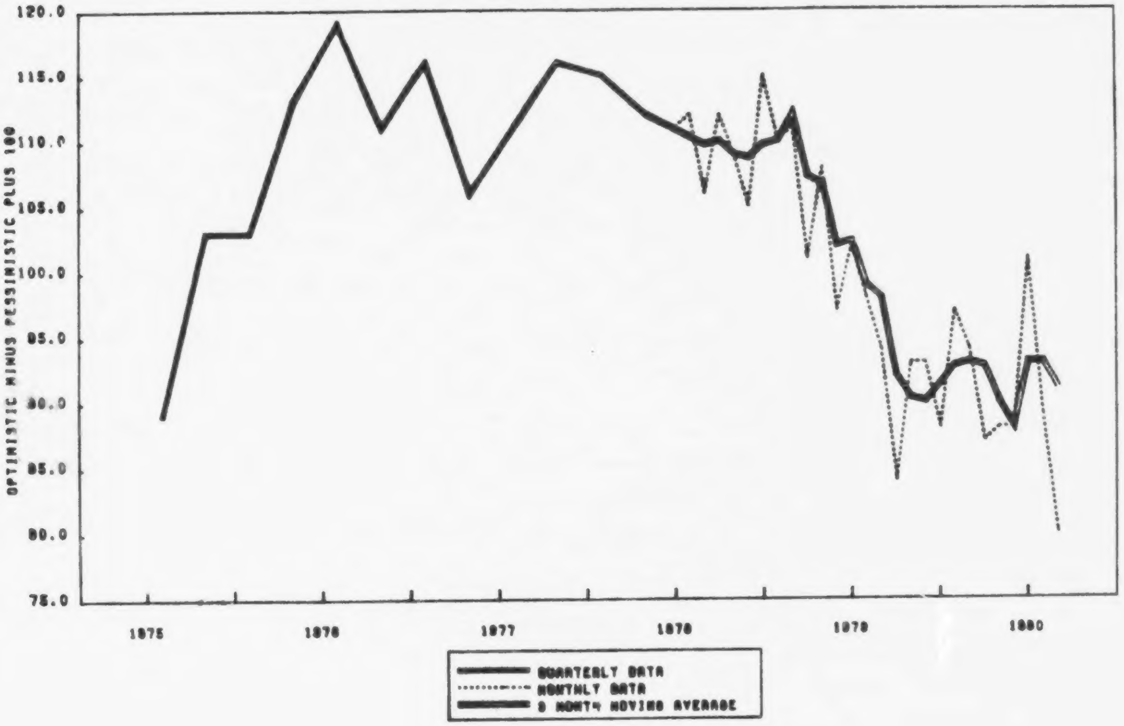

CHART 7 - HISTORICAL SERIES
TREND IN PERSONAL FINANCIAL SITUATION

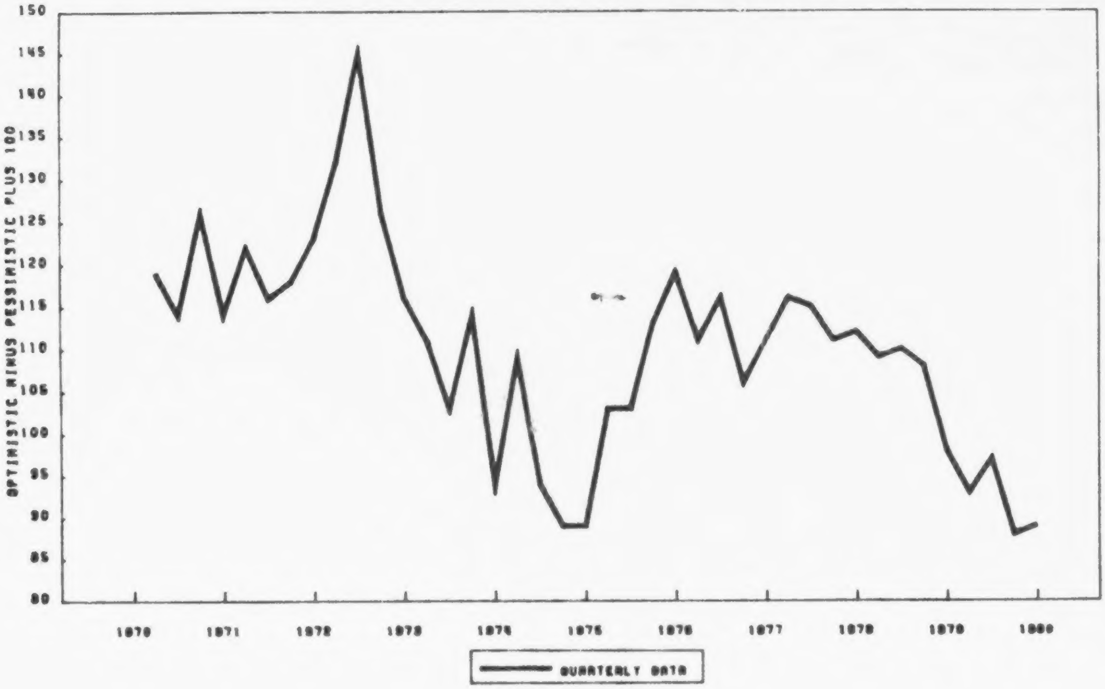

TABLE 7

TREND IN PERSONAL FINANCIAL SITUATION

	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980	FEB. 1980	MAR. 1980
B/B+	15%	13%	9%	11%	11%	13%	11%	11%	11%	12%	15%	13%	8%
B/S, S/B	17	17	21	22	19	21	20	18	19	17	21	19	16
S/S	18	13	17	13	16	17	16	14	16	14	16	12	15
W/S, S/W	24	26	21	21	24	22	21	23	26	23	20	25	27
W/W	14	20	17	19	18	15	16	19	16	18	13	18	17
W/B, B/W	8	8	10	10	8	9	13	12	10	12	11	10	12
DK, NA	4	3	5	4	4	3	3	3	2	4	4	3	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

KEY: B=BETTER, S=SAME, W=WORSE; DK=DON'T KNOW, NA=NOT ASCERTAINED,
+ = BETTER THAN A YEAR AGO/WILL BE BETTER A YEAR FROM NOW.

TABLE 10

EXPECT INCOME OR PRICES UP MORE NEXT YEAR

	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980	FEB. 1980	MAR. 1980
INCOME UP MORE	9%	10%	11%	9%	11%	12%	9%	9%	10%	10%	8%	14%	8%
INCOME UP SAME	35	30	36	35	32	34	35	35	38	35	36	33	32
PRICES UP MORE	52	56	48	53	55	50	53	52	49	51	52	51	56
DK, NA	4	4	5	3	2	4	3	4	3	4	4	2	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "HOW ABOUT IN THE NEXT YEAR OR TWO — DO YOU EXPECT YOUR (FAMILY) INCOME WILL GO UP MORE THAN PRICES WILL GO UP, ABOUT THE SAME, OR LESS THAN PRICES WILL GO UP?"

CHART 11 - RECENT CHANGES

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

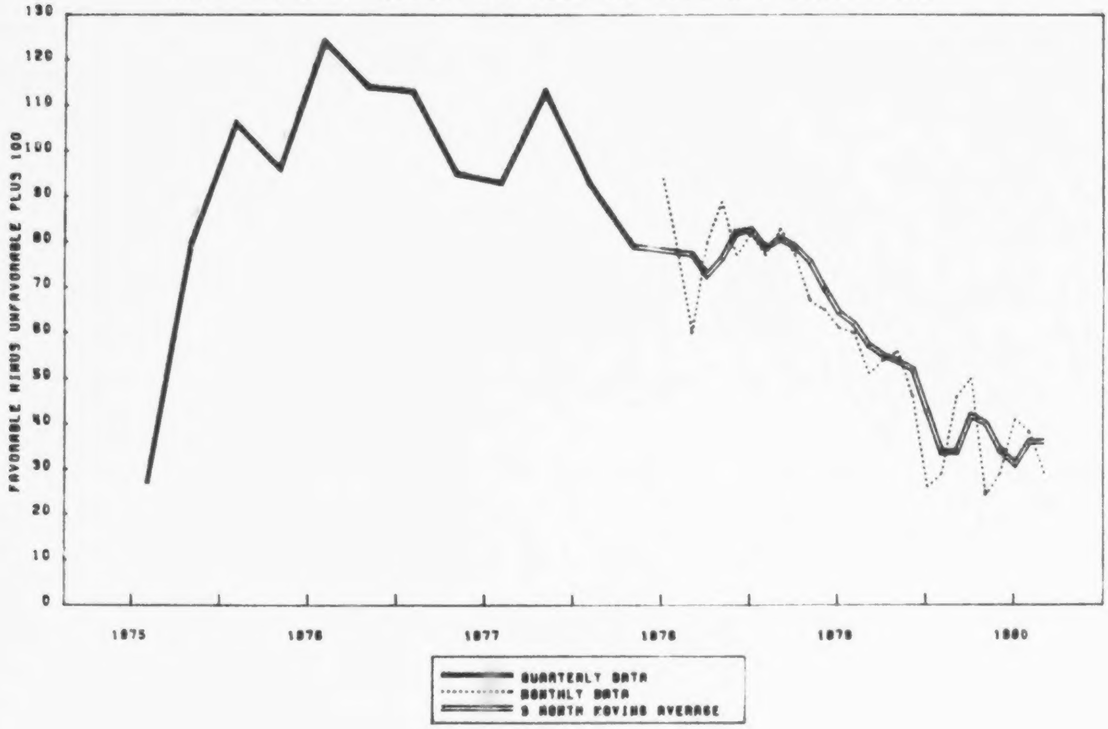

CHART 11 - HISTORICAL SERIES

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

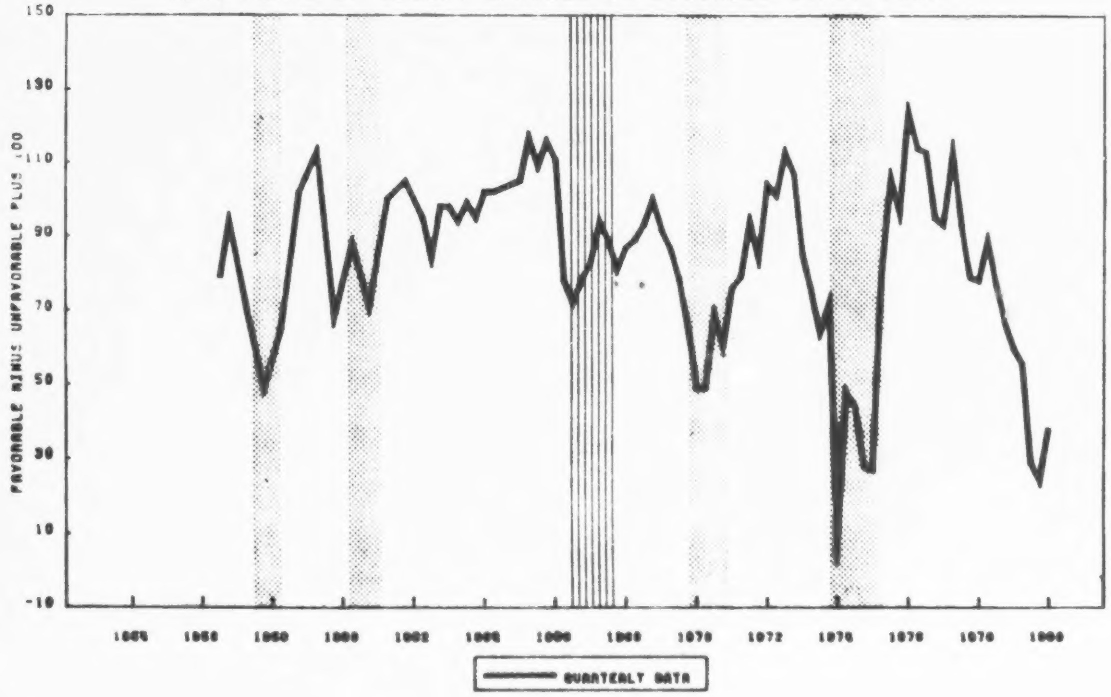

TABLE 11

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980	FEB. 1980	MAR. 1980
FAVORABLE NEWS	13%	18%	18%	13%	12%	15%	11%	13%	11%	10%	17%	14%	11%
UNFAVORABLE NEWS	62	64	62	67	86	86	65	63	87	81	76	76	82
NO MENTIONS	44	40	46	43	33	34	47	47	38	41	39	41	41

ADDS TO MORE THAN 100% DUE TO RESPONDENTS MENTIONING TWO CHANGES.

THE QUESTIONS WERE: "DURING THE LAST FEW MONTHS, HAVE YOU HEARD OF ANY FAVORABLE OR UNFAVORABLE CHANGES IN BUSINESS CONDITIONS? WHAT DID YOU HEAR?"

CHART 12 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

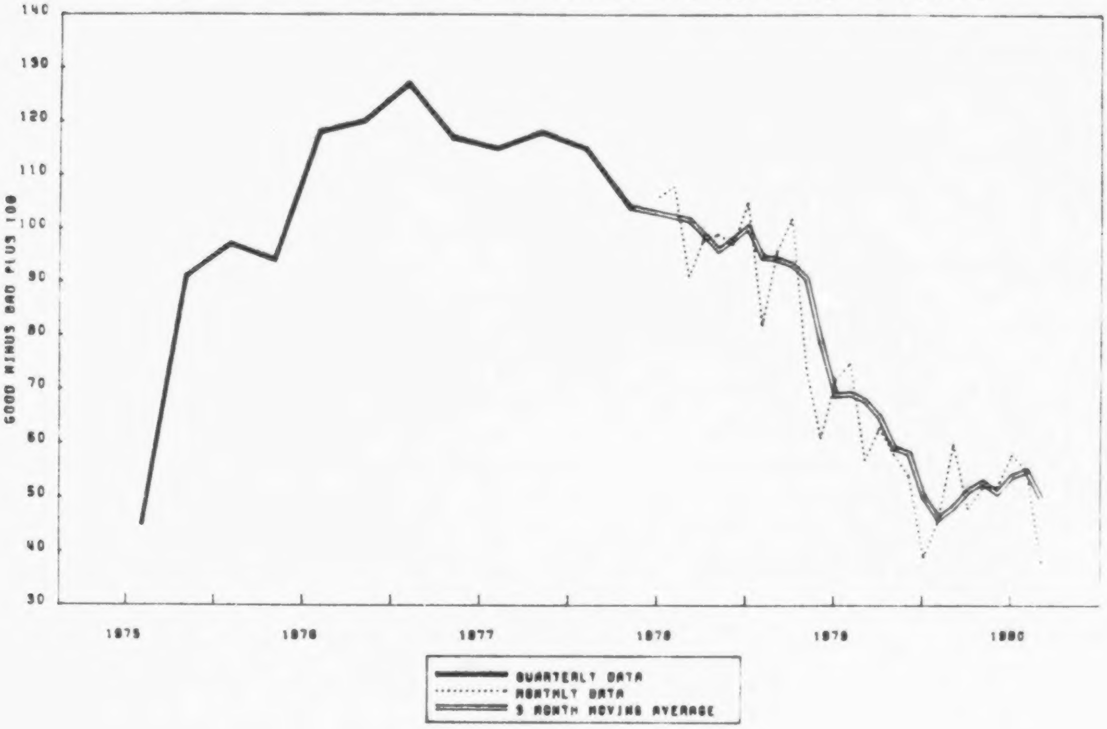

CHART 12 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

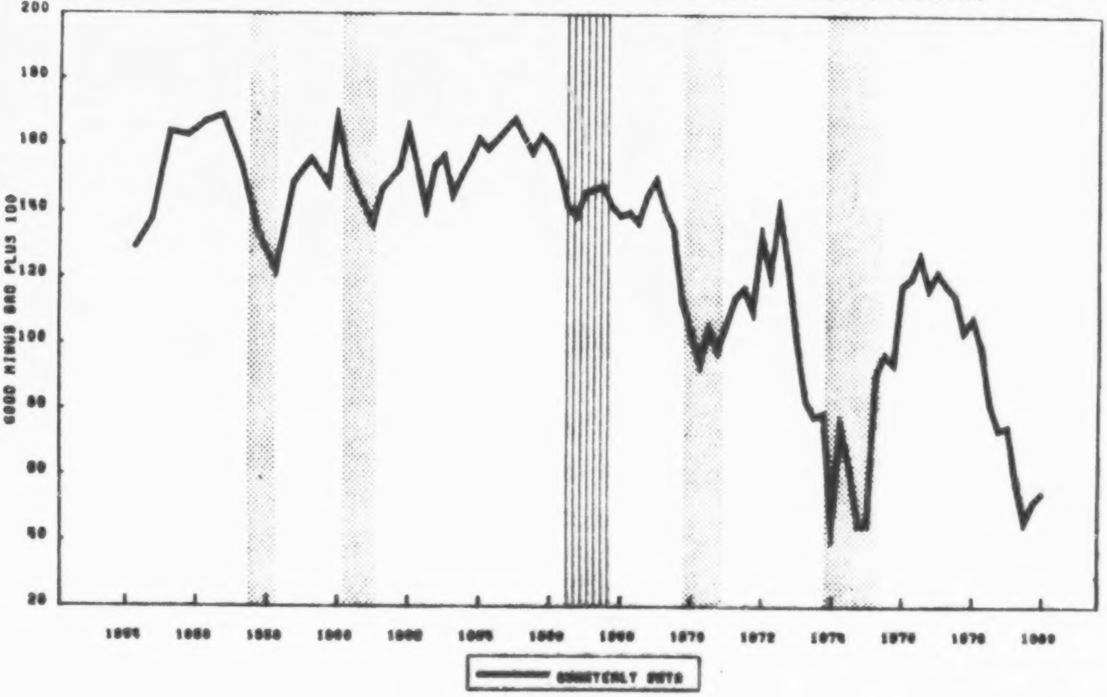

TABLE 12

BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980	FEB. 1980	MAR. 1980
GOOD TIMES	20%	24%	21%	20%	13%	17%	23%	18%	20%	20%	24%	22%	14%
GOOD IN SOME WAYS, BAD IN OTHERS	3	5	5	2	1	3	3	1	3	2	1	1	1
BAD TIMES	63	61	63	66	74	71	63	70	68	68	66	67	76
UNCERTAIN	8	5	4	5	4	5	5	5	4	4	4	5	4
NOT ASCERTAINED	6	5	7	7	8	4	6	6	5	6	5	5	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "NOW TURNING TO BUSINESS CONDITIONS IN THE COUNTRY AS A WHOLE — DO YOU THINK THAT DURING THE NEXT 12 MONTHS WE'LL HAVE GOOD TIMES FINANCIALLY OR BAD TIMES, OR WHAT?

CHART 13 - RECENT CHANGES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

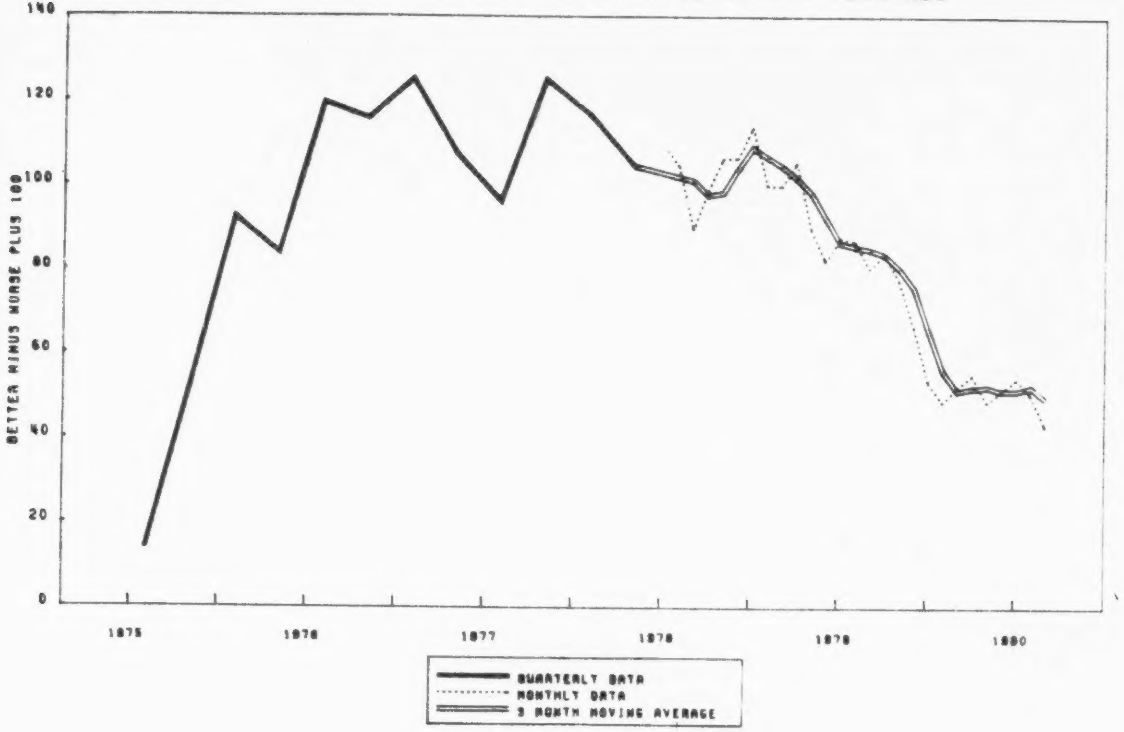

CHART 13 - HISTORICAL SERIES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

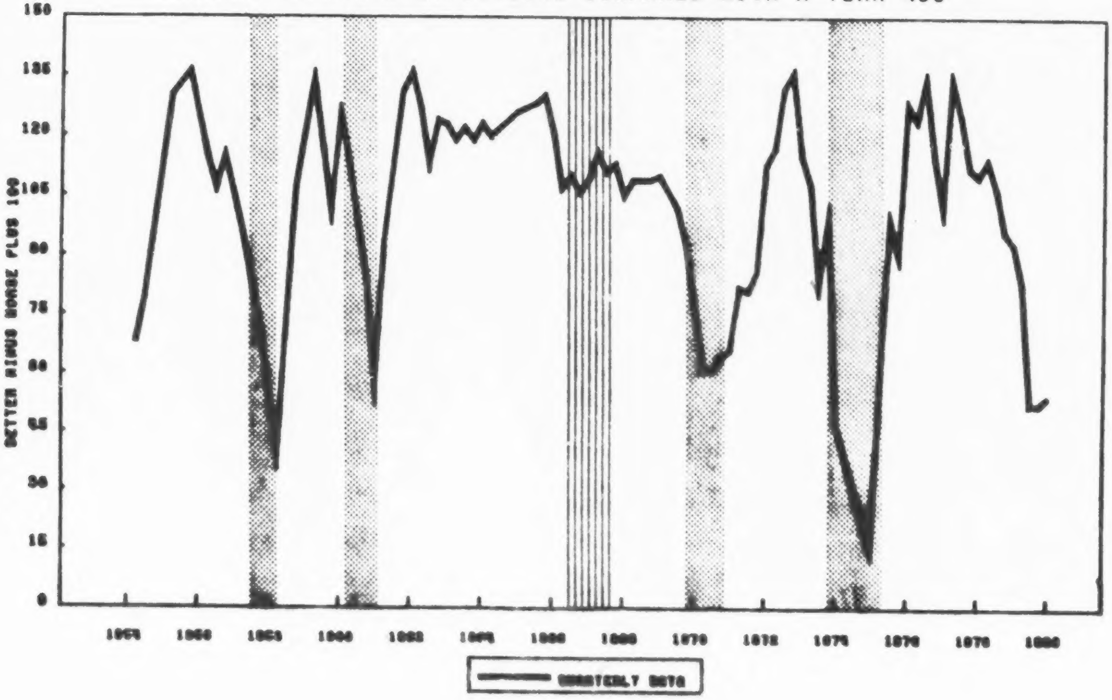

TABLE 13

CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980	FEB. 1980	MAR. 1980
BETTER NOW	33%	36%	33%	27%	22%	20%	22%	22%	19%	21%	21%	21%	15%
SAME	16	13	15	13	10	10	9	12	12	12	15	10	12
WORSE NOW	47	46	50	56	65	68	66	63	67	66	62	67	69
DK, NA	4	5	2	4	3	2	3	3	2	1	2	2	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "WOULD YOU SAY THAT AT THE PRESENT TIME BUSINESS CONDITIONS ARE BETTER OR WORSE THAN THEY WERE A YEAR AGO?"

CHART 14 - RECENT CHANGES

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

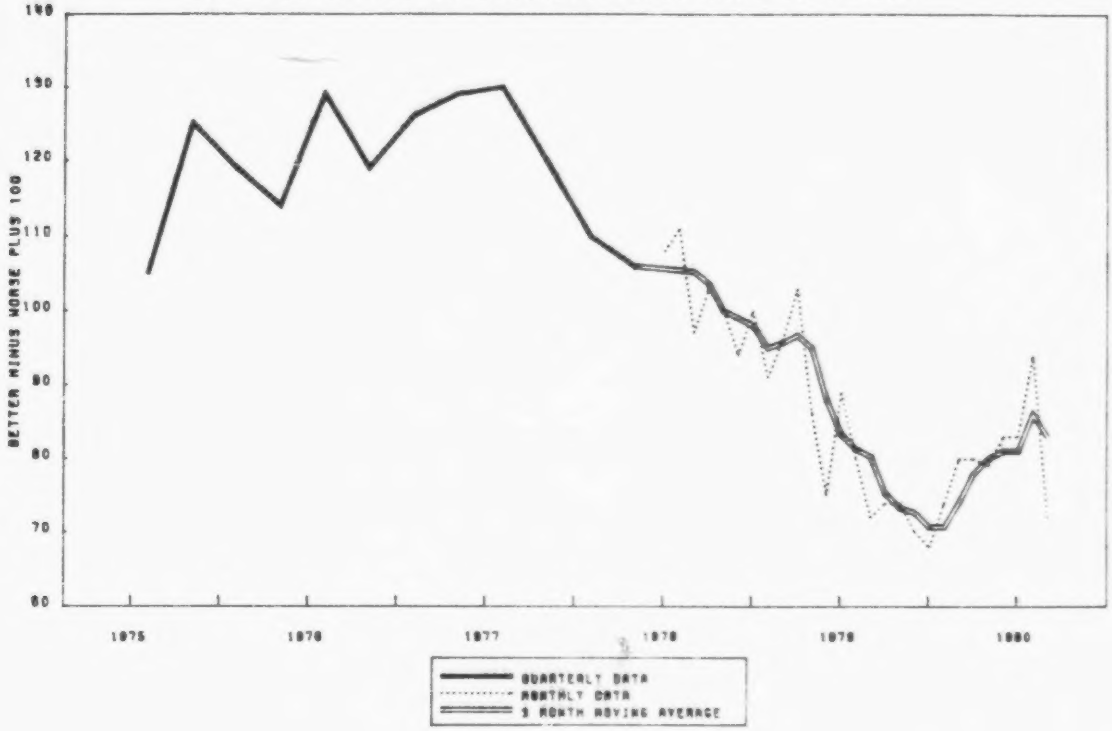

CHART 14 - HISTORICAL SERIES

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

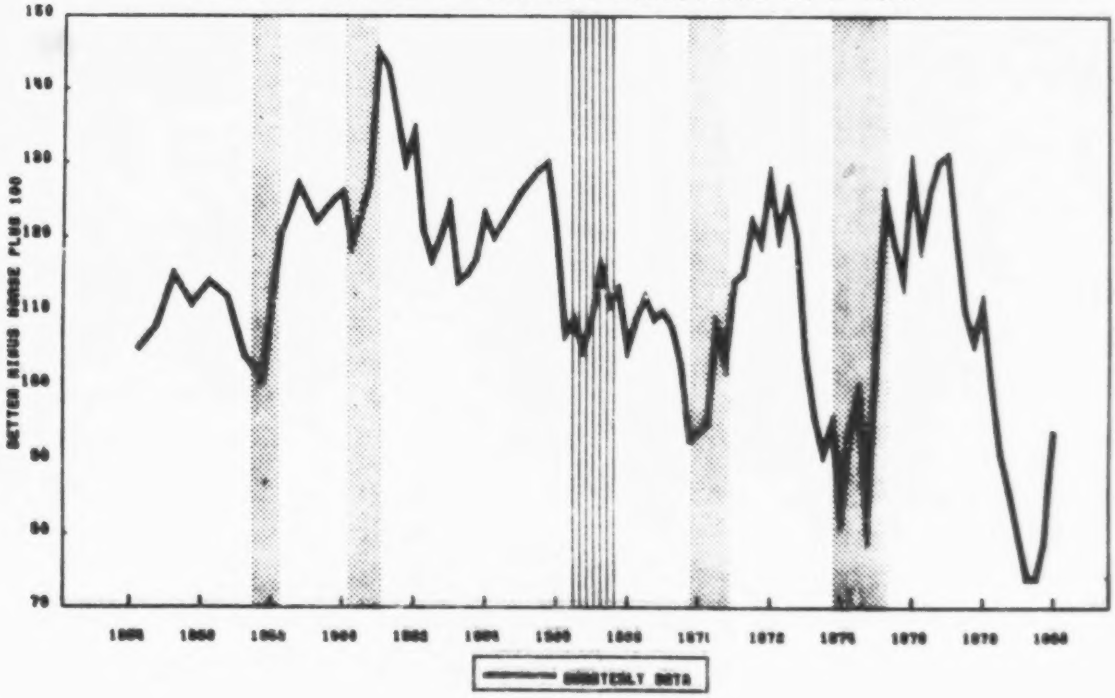

TABLE 14

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980	FEB. 1980	MAR. 1980
BETTER	10%	12%	11%	12%	11%	13%	15%	15%	15%	18%	17%	21%	14%
SAME	47	45	49	42	43	46	46	47	47	43	44	49	42
WORSE	38	38	37	42	43	39	35	35	36	35	35	27	42
DK, NA	5	5	3	4	3	2	4	3	2	4	4	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "AND HOW ABOUT A YEAR FROM NOW, DO YOU EXPECT THAT IN THE COUNTRY AS A WHOLE BUSINESS CONDITIONS WILL BE BETTER OR WORSE THAN THEY ARE AT PRESENT, OR JUST ABOUT THE SAME?"

CHART 15 - RECENT CHANGES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

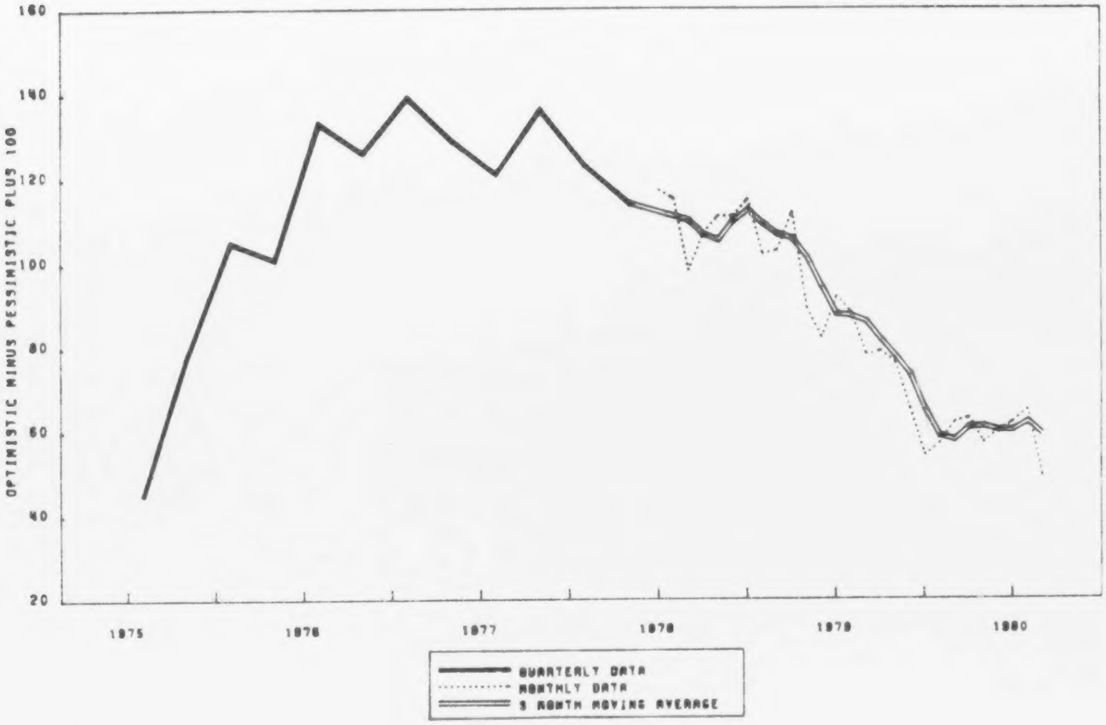

CHART 15 - HISTORICAL SERIES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

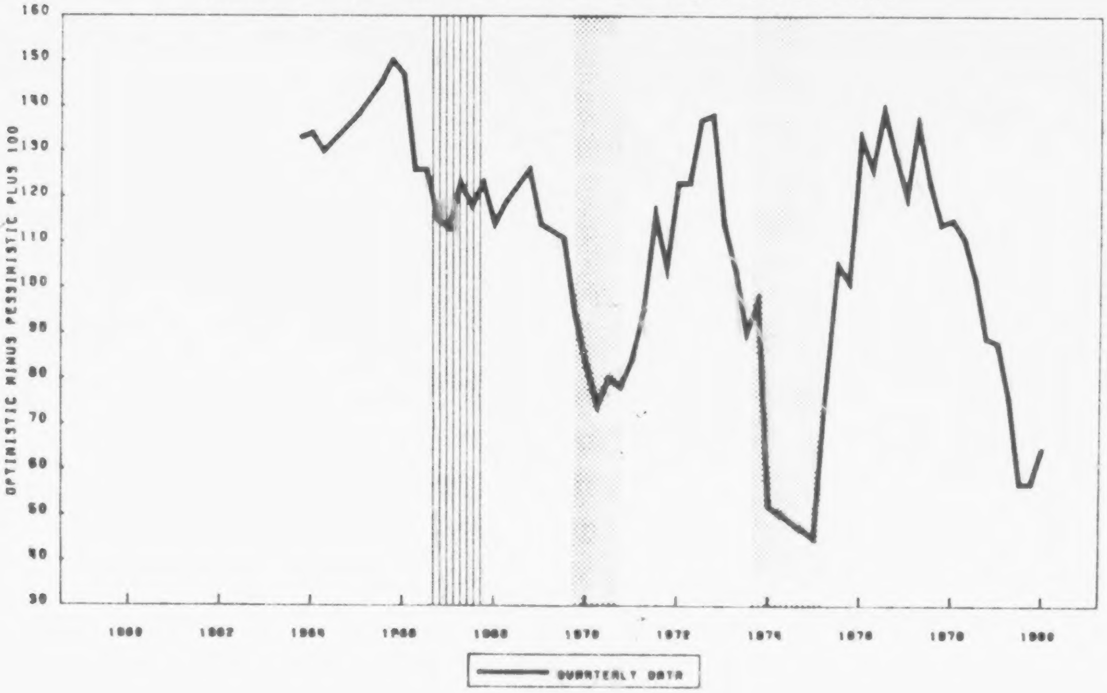

TABLE 15

TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980	FEB. 1980	MAR. 1980
B/B+	5%	8%	7%	6%	3%	4%	5%	6%	4%	6%	6%	8%	3%
B/S, S/B	20	17	17	13	13	13	14	13	12	11	10	12	9
S/S	8	8	10	7	5	5	5	7	8	6	9	6	6
W/S, S/W	23	23	25	27	29	30	30	31	30	29	30	33	31
W/W	24	23	23	28	33	31	27	26	29	28	24	22	32
W/B, B/W	11	14	13	12	13	12	13	11	14	14	16	15	14
DK, NA	9	7	5	7	4	5	6	6	3	6	5	4	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

KEY: B=BETTER, S=SAME, W=WORSE, DK=DON'T KNOW, NA=NOT ASCERTAINED,

+ = BETTER THAN A YEAR AGO/WILL BE BETTER A YEAR FROM NOW.

CHART 16 - RECENT CHANGES

BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

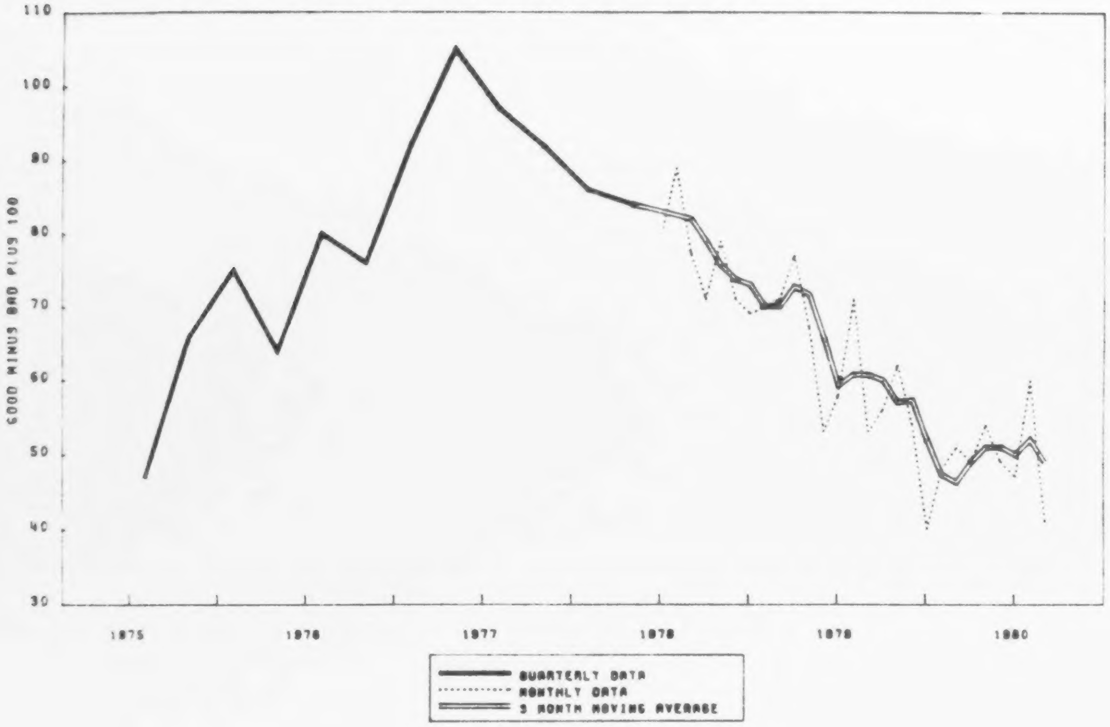

CHART 16 - HISTORICAL SERIES

BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

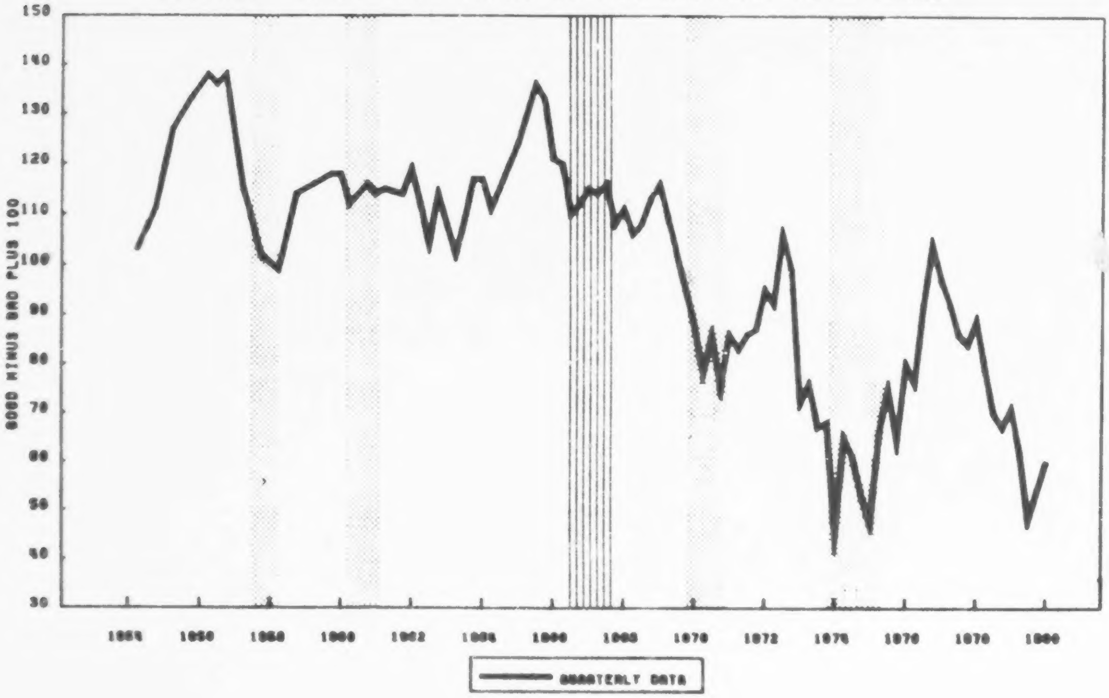

TABLE 16

BUSINESS CONDITIONS EXPECTED FOR NEXT FIVE YEARS

	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980	FEB. 1980	MAR. 1980
GOOD TIMES	16%	18%	19%	14%	10%	14%	16%	16%	18%	15%	17%	21%	13%
UNCERTAIN, GOOD & BAD	14	13	17	16	14	15	16	13	12	14	8	14	10
BAD TIMES	63	62	57	60	70	66	65	67	64	66	70	61	72
NA	7	7	7	10	6	5	3	4	6	5	5	4	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "LOOKING AHEAD, WHICH WOULD YOU SAY IS MORE LIKELY --- THAT IN THE COUNTRY AS A WHOLE WE'LL HAVE CONTINUOUS GOOD TIMES DURING THE NEXT 5 YEARS OR SO, OR THAT WE WILL HAVE PERIODS OF WIDESPREAD UNEMPLOYMENT OR DEPRESSION, OR WHAT?"

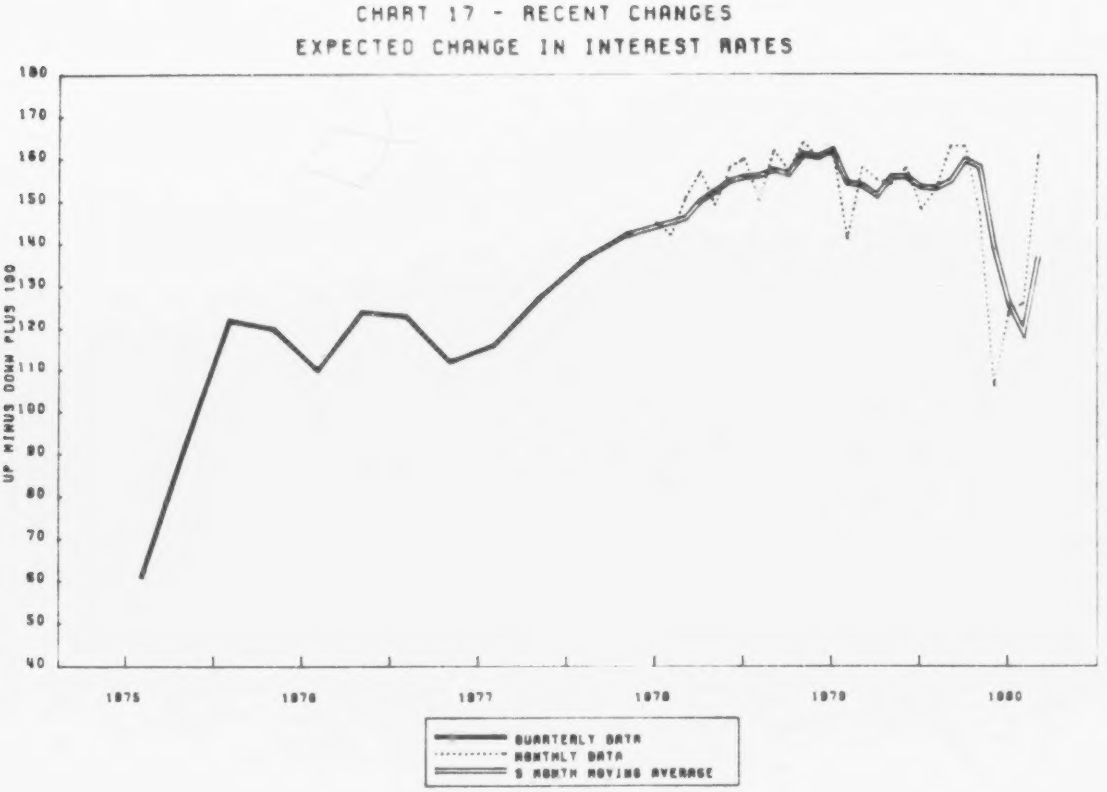
CHART 17 - RECENT CHANGES
EXPECTED CHANGE IN INTEREST RATES

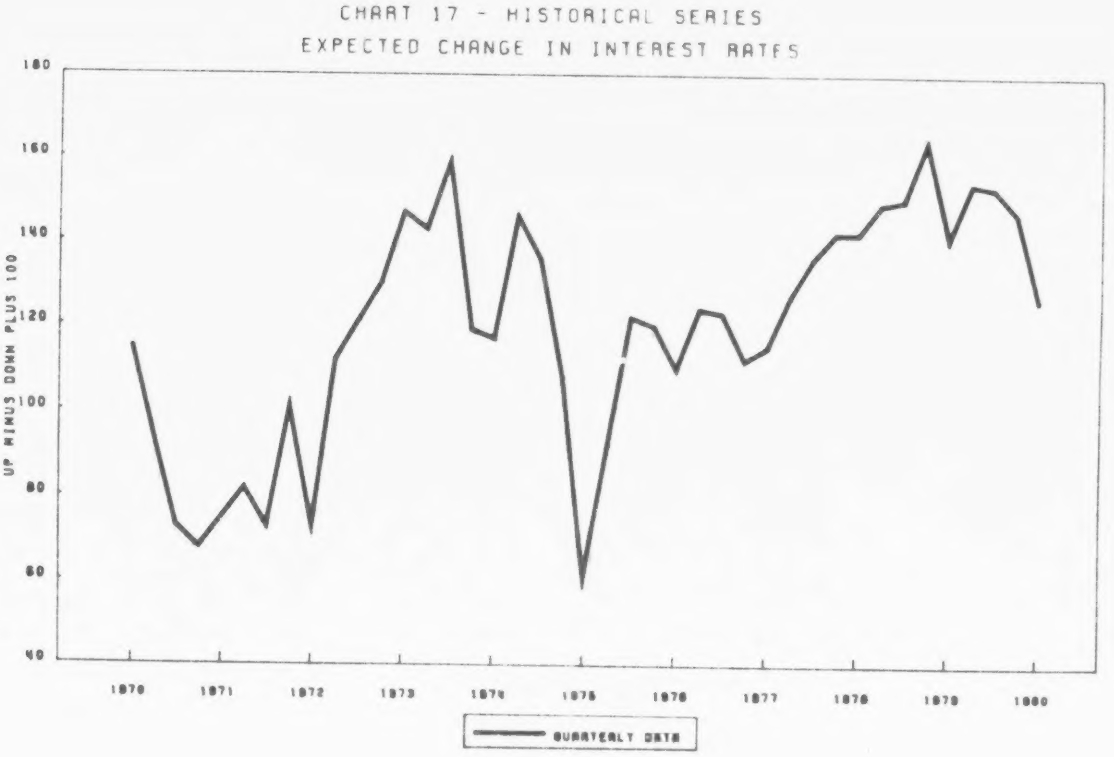
CHART 17 - HISTORICAL SERIES
EXPECTED CHANGE IN INTEREST RATES

TABLE 17

EXPECTED CHANGE IN INTEREST RATES

	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980	FEB. 1980	MAR. 1980
GO UP	65%	63%	61%	66%	60%	61%	70%	70%	62%	40%	45%	47%	71%
STAY THE SAME	23	25	27	22	25	26	20	20	20	22	30	29	16
GO DOWN	7	8	7	8	12	8	7	7	15	34	21	21	10
DK, NA	5	4	5	4	3	5	3	3	3	4	4	3	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "NO ONE CAN SAY FOR SURE, BUT WHAT DO YOU THINK WILL HAPPEN TO INTEREST RATES FOR BORROWING DURING THE NEXT 12 MONTHS?"

CHART 18 - RECENT CHANGES
EXPECTED CHANGE IN UNEMPLOYMENT

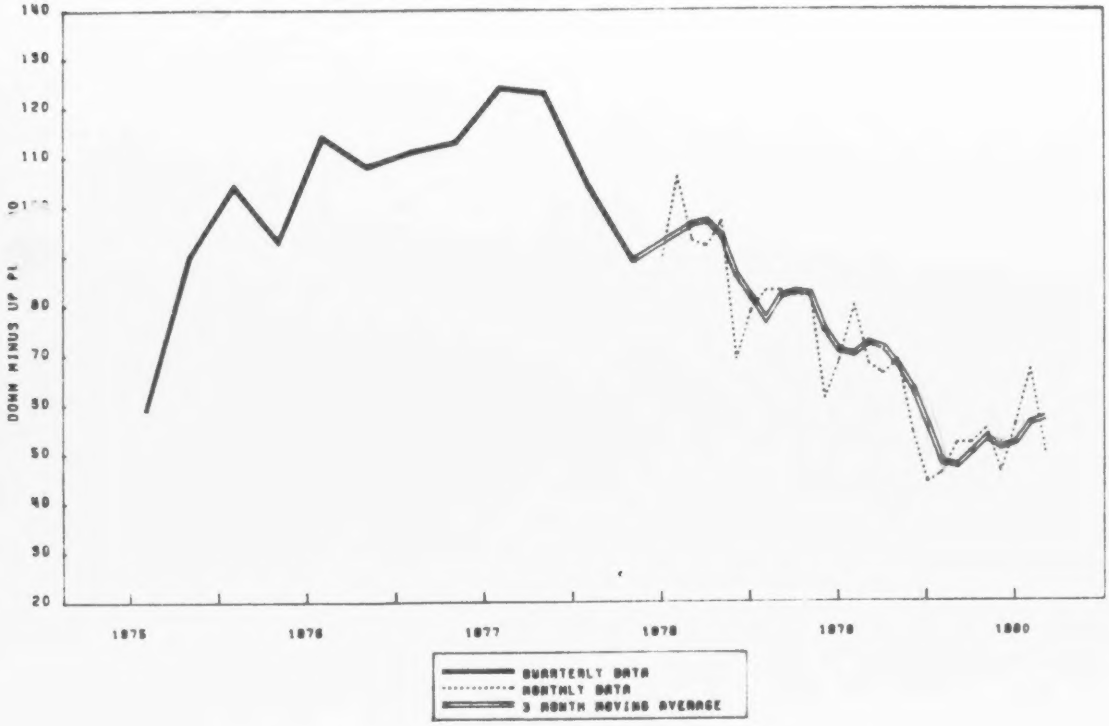

CHART 18 - HISTORICAL SERIES
EXPECTED CHANGE IN UNEMPLOYMENT

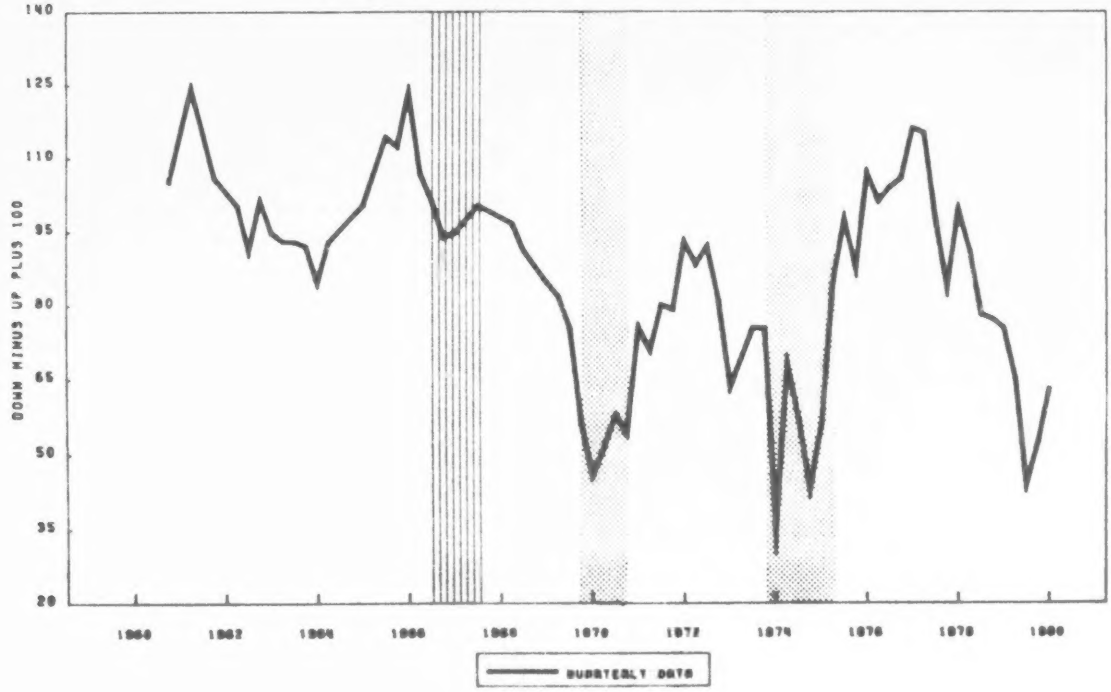

TABLE 18

EXPECTED CHANGE IN UNEMPLOYMENT

	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980	FEB. 1980	MAR. 1980
LESS	9%	11%	9%	6%	6%	7%	7%	7%	9%	7%	9%	13%	7%
SAME	46	41	46	39	31	30	36	36	35	30	34	38	35
MORE	41	45	40	52	62	61	55	55	54	61	54	46	57
DK, NA	4	3	5	3	1	2	2	2	2	2	3	3	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: " HOW ABOUT PEOPLE OUT OF WORK DURING THE COMING 12 MONTHS -- DO YOU THINK THAT THERE WILL BE MORE UNEMPLOYMENT THAN NOW, ABOUT THE SAME, OR LESS?"

TABLE 19

EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980	FEB. 1980	MAR. 1980
SAME OR DOWN	4%	6%	8%	10%	12%	13%	12%	13%	12%	15%	9%	8%	13%
1 -- 2% UP	5	4	3	3	2	2	5	4	2	2	2	4	3
3 -- 4% UP	10	6	6	6	5	6	5	6	5	4	4	4	4
5% UP	8	11	10	8	10	9	8	10	7	7	7	11	8
6 -- 9% UP	18	14	15	14	12	12	14	14	13	12	12	12	9
10% OR MORE	[illegible]	43	45	47	45	47	41	36	48	47	53	50	53
DK HOW MUCH [illegible]	13	15	12	10	11	10	13	16	12	10	11	10	7
DK, NA	1	1	1	2	3	1	2	1	1	3	2	1	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	9.7	10.7	11.4	11.3	10.8	10.4	10.0	8.9	11.2	10.4	13.1	10.7	12.0

THE QUESTIONS WERE: "DURING THE NEXT 12 MONTHS, DO YOU THINK THAT PRICES IN GENERAL WILL GO UP, OR GO DOWN, OR STAY WHERE THEY ARE NOW?" (IF WILL GO UP) "BY ABOUT WHAT PERCENT DO YOU EXPECT PRICES TO GO UP, ON THE AVERAGE, DURING THE NEXT TWELVE MONTHS?"

TABLE 20

UNEMPLOYMENT OR INFLATION MORE SERIOUS

	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980	FEB. 1980	MAR. 1980
UNEMPLOYMENT	27%	21%	18%	23%	26%	27%	26%	25%	24%	28%	26%	24%	25%
EQUALLY SERIOUS	7	5	9	8	10	9	7	8	8	10	7	7	8
INFLATION	63	71	68	67	62	63	65	65	65	60	64	68	65
DK, NA	3	3	5	2	2	1	2	2	3	2	3	1	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "WHICH OF THE TWO PROBLEMS -- UNEMPLOYMENT OR INFLATION -- DO YOU THINK WILL CAUSE THE MORE SERIOUS ECONOMIC HARDSHIP FOR PEOPLE DURING THE NEXT YEAR OR SO?"

CHART 21 - RECENT CHANGES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

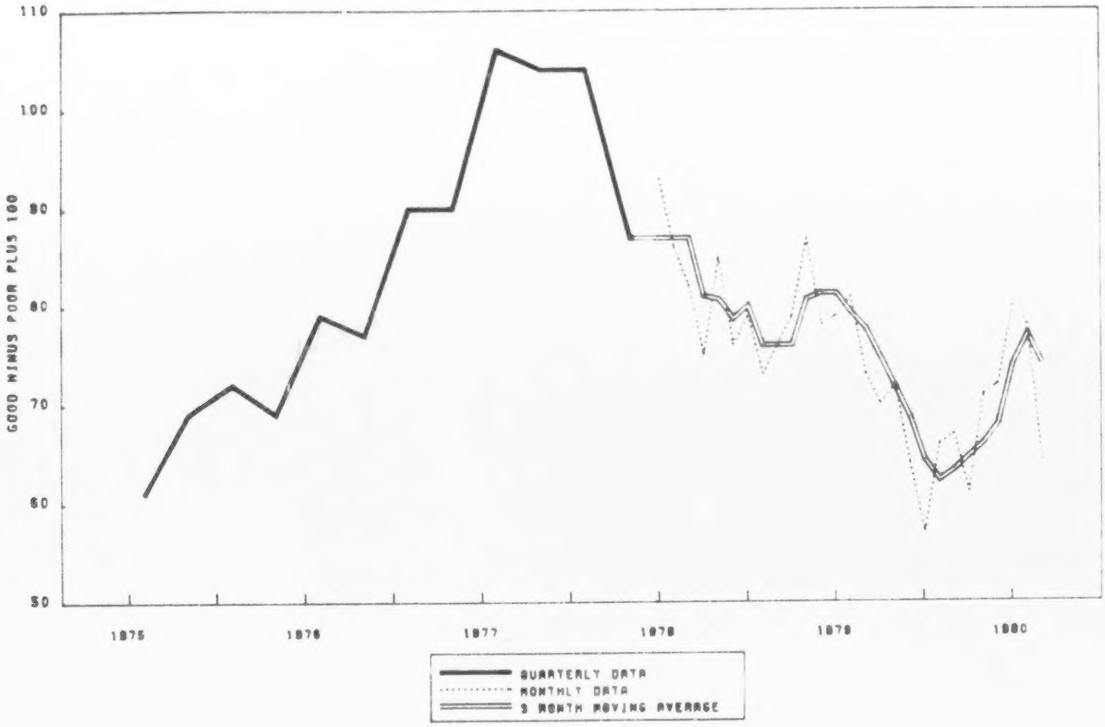

CHART 21 - HISTORICAL SERIES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

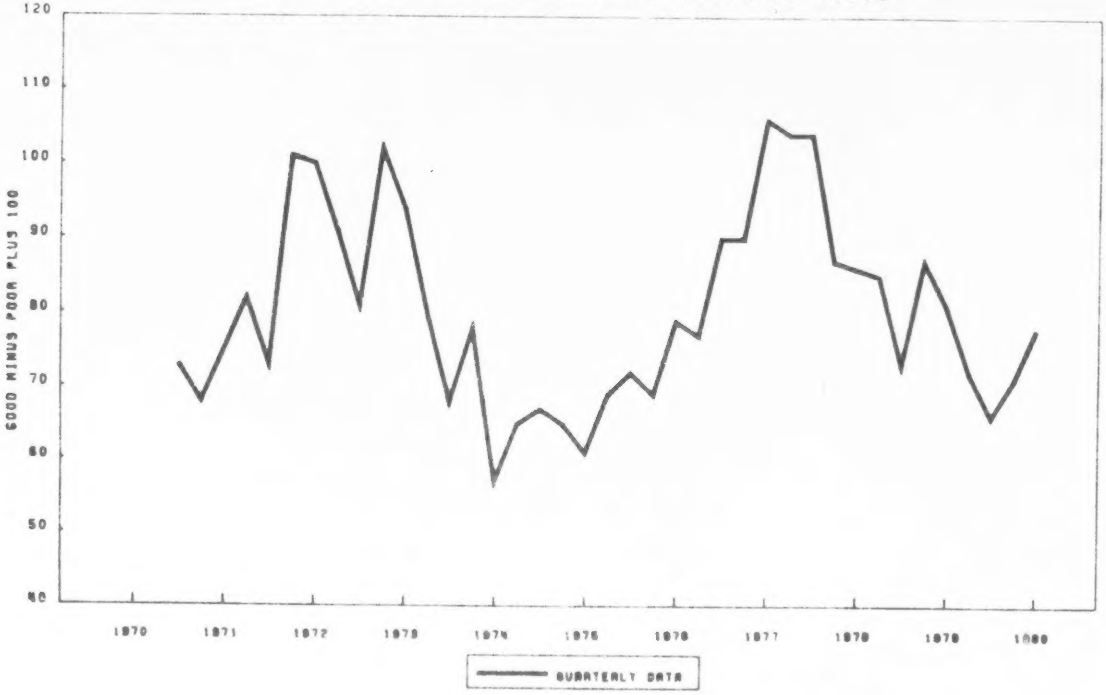

TABLE 21

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980	FEB. 1980	MAR. 1980
A GOOD JOB	9%	9%	10%	7%	5%	8%	7%	6%	10%	9%	11%	12%	7%
ONLY FAIR	50	48	48	47	43	48	51	46	47	50	54	51	46
A POOR JOB	36	39	38	43	48	42	40	45	39	37	31	34	43
DK, NA	5	4	4	3	4	2	2	3	4	4	4	3	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "AS TO THE ECONOMIC POLICY OF THE GOVERNMENT — I MEAN STEPS TAKEN TO FIGHT INFLATION OR UNEMPLOYMENT — WOULD YOU SAY THE GOVERNMENT IS DOING A GOOD JOB, ONLY FAIR, OR A POOR JOB?"

CHART 22 - RECENT CHANGES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

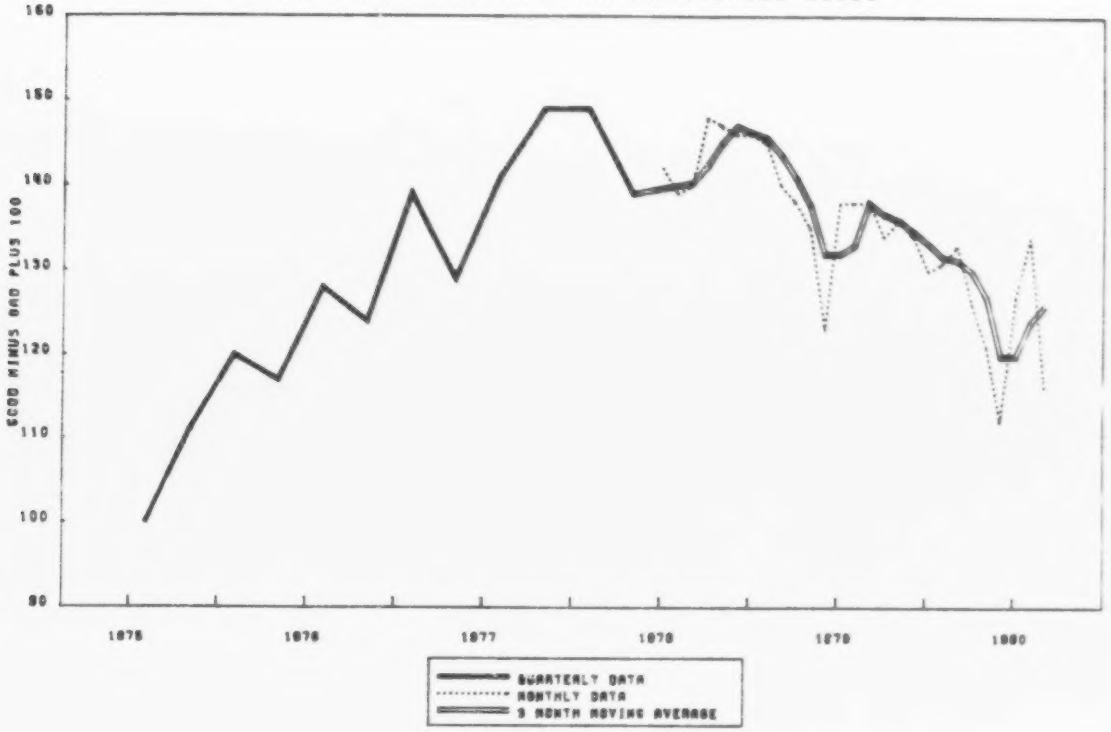

CHART 22 - HISTORICAL SERIES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

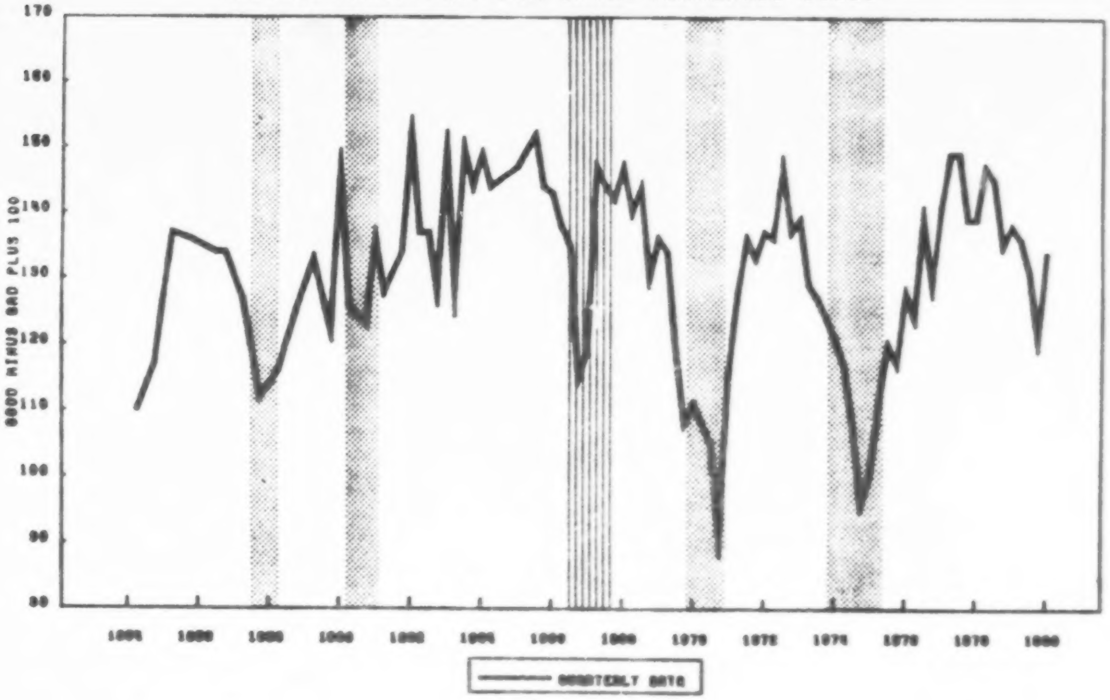

TABLE 22

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980	FEB. 1980	MAR. 1980
GOOD TIME TO BUY	63%	61%	62%	62%	60%	58%	62%	58%	54%	53%	60%	60%	54%
UNCERTAIN, DEPENDS	12	12	12	10	10	15	9	10	13	6	7	14	8
BAD TIME TO BUY	25	27	26	28	30	27	29	32	33	41	33	26	38
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "ABOUT THE BIG THINGS PEOPLE BUY FOR THEIR HOUSE — SUCH AS FURNITURE, A REFRIGERATOR, STOVE, AND THINGS LIKE THAT. GENERALLY SPEAKING, DO YOU THINK NOW IS A GOOD TIME OR A BAD TIME TO BUY MAJOR HOUSEHOLD ITEMS?"

TABLE 23

SELECTED REASONS FOR OPINIONS ABOUT CURRENT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980	FEB. 1980	MAR. 1980
GOOD TIME TO BUY:													
PRICES ARE LOW; GOOD BUYS AVAILABLE	11%	6%	17%	10%	9%	19%	13%	8%	18%	12%	17%	23%	12%
PRICES GOING HIGHER; WON'T COME DOWN	50	53	35	46	46	33	42	48	27	38	47	33	43
BAD TIME TO BUY:													
PRICES ARE HIGH; GOING UP	14	15	18	20	19	18	18	18	18	26	20	16	23
CREDIT; HIGH INTEREST RATES	4	4	3	6	7	4	8	8	10	12	9	9	16

* = LESS THAN HALF OF ONE PERCENT.

RESPONSES TO THE QUERY "WHY DO YOU SAY SO?" FOLLOWING THE QUESTION NOTED IN THE PREVIOUS TABLE.

CHART 24 - RECENT CHANGES
BUYING CONDITIONS FOR HOUSES

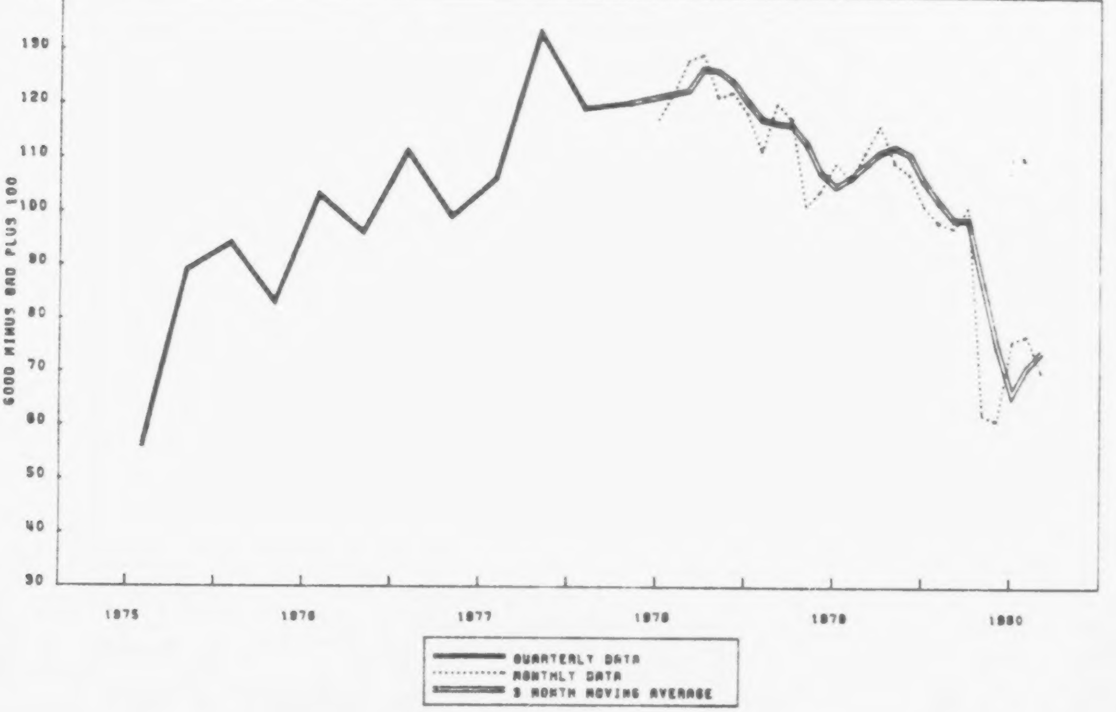

CHART 24 - HISTORICAL SERIES
BUYING CONDITIONS FOR HOUSES

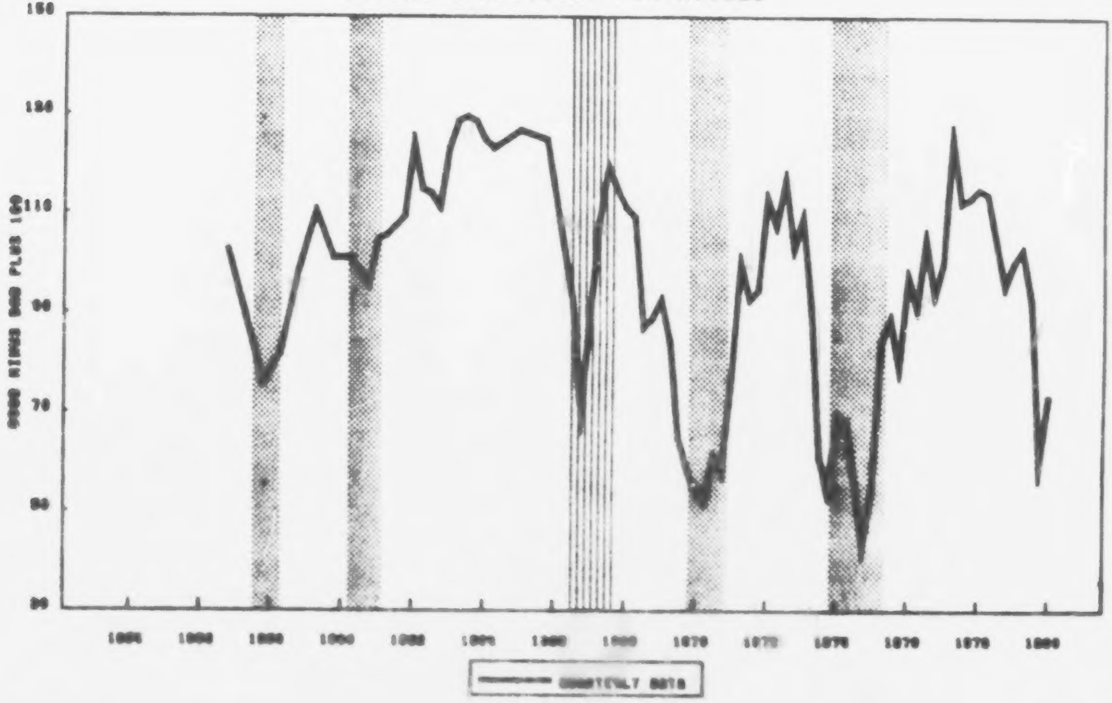

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TABLE 24

BUYING CONDITIONS FOR HOUSES

	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980	FEB. 1980	MAR. 1980
GOOD TIME TO BUY	50%	54%	51%	50%	48%	46%	46%	48%	28%	27%	36%	36%	32%
UNCERTAIN, DEPENDS	11	8	7	7	5	6	5	5	6	7	4	5	6
BAD TIME TO BUY	39	38	42	43	47	48	49	47	66	66	60	59	62
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "GENERALLY SPEAKING, DO YOU THINK NOW IS A GOOD TIME OR A BAD TIME TO BUY A HOUSE?"

CHART 26 - RECENT CHANGES
BUYING CONDITIONS FOR CARS

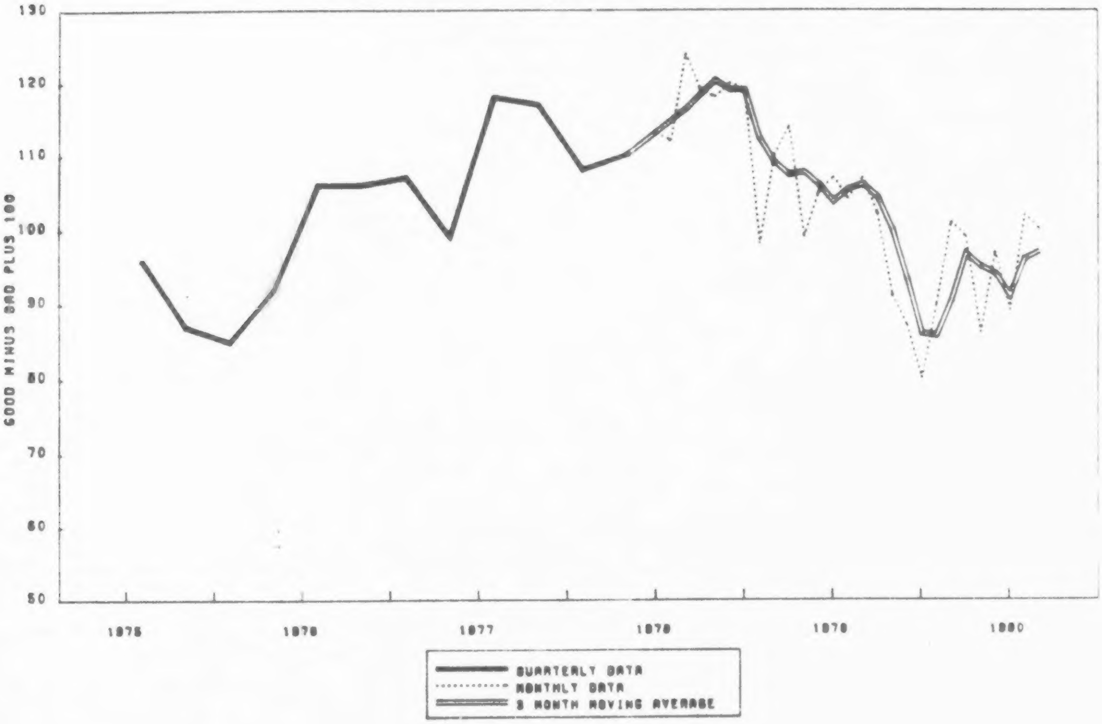

CHART 26 - HISTORICAL SERIES
BUYING CONDITIONS FOR CARS

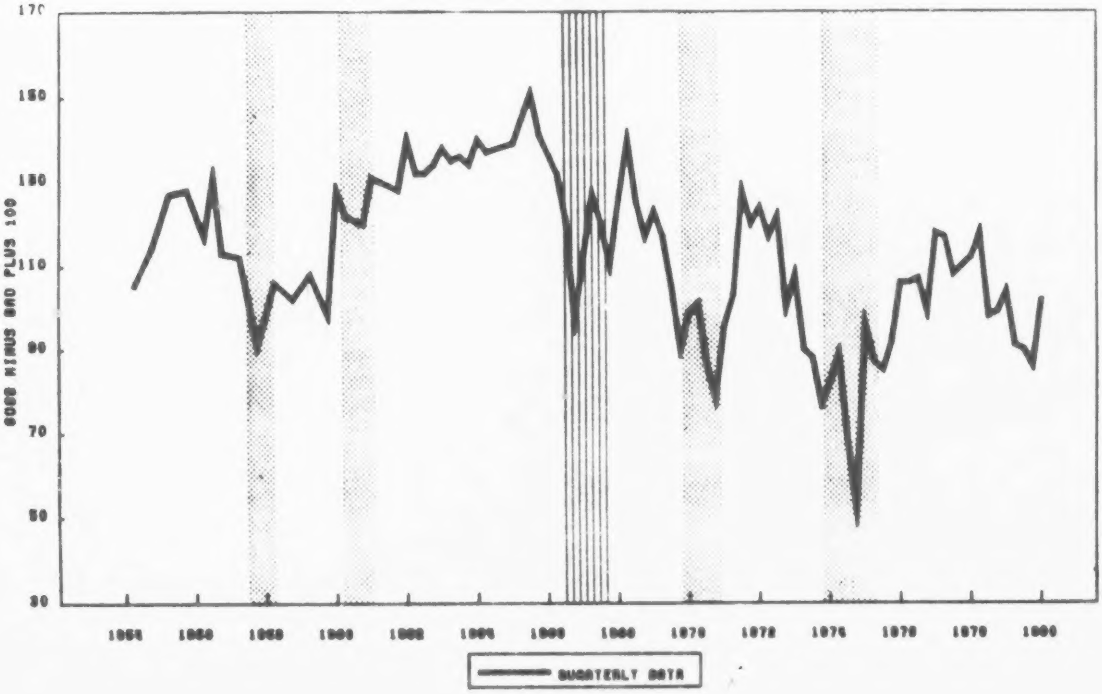

TABLE 26

BUYING CONDITIONS FOR CARS

	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980	FEB. 1980	MAR. 1980
GOOD TIME TO BUY	47%	45%	39%	37%	32%	38%	44%	45%	38%	44%	40%	47%	45%
UNCERTAIN, DEPENDS	13	12	13	13	16	14	12	9	10	9	10	8	10
BAD TIME TO BUY	40	43	48	50	52	48	44	46	52	47	50	45	45
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "SPEAKING NOW OF THE AUTOMOBILE MARKET -- DO YOU THINK THE NEXT 12 MONTHS OR SO WILL BE A GOOD OR A BAD TIME TO BUY A CAR?"

TABLE 27

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

	MAR. 1979	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980	FEB. 1980	MAR. 1980
GOOD TIME TO BUY:													
PRICES ARE LOW; GOOD BUYS AVAILABLE	5%	5%	6%	7%	13%	16%	18%	13%	13%	15%	12%	17%	14%
PRICES GOING HIGHER; WON'T COME DOWN	35	30	22	21	17	14	21	23	16	21	22	19	22
NEW FUEL EFFICIENT MODELS	7	12	14	12	13	11	9	8	8	10	8	14	13
BAD TIME TO BUY:													
PRICES ARE HIGH; MAY FALL LATER	23	21	26	25	28	27	25	27	30	27	31	22	25
CREDIT; HIGH INTEREST RATES	6	5	6	3	4	7	6	8	18	16	13	14	17
ENERGY; FUEL SHORTAGE	14	19	22	26	24	18	14	13	10	12	19	13	16

* = LESS THAN HALF OF ONE PERCENT.

RESPONSES TO THE QUERY "WHY DO YOU SAY SO?" FOLLOWING THE QUESTION NOTED IN THE PREVIOUS TABLE.

U 7475-2

SURVEY RESEARCH CENTER
UNIVERSITY OF MICHIGAN

MARCH 1980 SURVEY

March 28, 1980

rec'd 3/28/80

Surveys of Consumer Attitudes

Richard T. Curtin, *Director*

CONSUMER SENTIMENT FALLS TO NEW RECORD LOW LEVEL

**In the March 1980 survey, the Index of Consumer Sentiment was 56.5, down more than 10 Index-points from February 1980 (66.9) and March 1979 (68.4), and represents the lowest level recorded in more than a quarter-century. At no time have consumers been more pessimistic about their own personal financial situation or about prospects for the economy as a whole. Importantly, the major portion of these declines were recorded prior to President Carter's latest inflation message -- just 10 percent of the interviews were conducted after Carter's speech.

**Among families with incomes of $15,000 and over, the Index of Consumer Sentiment was 51.3 in March 1980, down from 60.2 in February 1980, and 65.2 in March 1979. The March 1980 Index figure of 51.3 is below the prior record low of 53.6 recorded in February 1975.

**New record low levels recorded in March 1980 include:

*Nearly half (48 percent) of all families reported in March 1980 that they were worse off financially than a year earlier, twice the proportion who reported an improved financial situation (24 percent).

*Three-in-four respondents (76 percent) expected bad times financially for the economy as a whole during the next 12 months, while just 14 percent expected improvement.

*Interest rates were expected to increase during the next 12 months by 71 percent of all families in March 1980 and the highest rates of expected inflation were recorded during early 1980, with consumers expecting inflation to average 12% during the next 12 months.

**Favorable attitudes toward buying conditions for household durables declined significantly in the March 1980 survey, while attitudes toward buying conditions for houses declined by a more moderate amount, and buying conditions for automobiles remained largely unchanged from month earlier readings.

* * *

The establishment of new record low levels in consumer attitudes and expectations indicates further weakened prospects for consumer sales throughout the balance of 1980. By the time Carter announced credit controls, high interest rates and tight credit conditions had already greatly depressed attitudes toward buying conditions, not only for houses and vehicles but also for household durables. Since credit cards are frequently used for purchases of household durables, the likely impact will be to quickly depress sales of durables.

New Record Lows

The March 1980 Index figure of 56.5 is below the prior all-time record low of 58.0 recorded in Febraury 1975. As shown in the accompanying table, four of five Index components were less favorable in March 1980 than the prior record lows recorded in late 1974 and early 1975. The only exception involved attitudes toward market conditions for household durables, which remains 20 Index-points above record lows. Favorable buying attitudes have been based on buy-in-advance price rationales, although recent surveys have signaled the rising importance of credit considerations in spreading unfavorable attitudes. The recently announced credit controls are likely to cause further declines in buying attitudes toward household durables, in addition to the growing impact on the housing and vehicle markets.

TABLE A

		Index Components[a]				
		Current		Expected		
	Index	Personal Finances	Buying Conditions	Personal Finances	12-Month Business	5-Year Business
October 1974-February 1975 Low	58.0	81	96	99	45	47
March 1980 Survey	56.5	76	116	92	38	41
Difference	-1.5	-5	+20	-7	-7	-6

---

[a] Table entries are the sample proportion giving favorable replies minus the proportion giving unfavorable responses, plus 100.

Personal Finances Reach Record Low

During the first three months of 1980, evaluations of personal financial progress have turned sharply pessimistic. In March 1980, just 24 percent reported that their families were better off financially compared with a year earlier, down from 30 percent in February and 34 percent in January 1980. Similarly, reports of worsening personal finances rose from 38 percent in January to 45 percent in February and 48 percent in March 1980. Underlying this shift, fewer respondents mentioned income increases (from 34 percent in January to 25 percent in March 1980), and more frequently mentioned the financial strain caused by higher prices (from 39 percent in January to 47 percent in March 1980).

Expected changes in personal finances have also become more unfavorable in early 1980, and have nearly reversed the entire improvement recorded in the last half of 1979. Among all families, 20 percent expected to be better off financially in a year (identical with the July reading, but down from 28 percent in January 1980), and 28 percent expected to be worse off financially (identical with July 1979, but above the 22 percent in January 1980). This bleak outlook for personal finances is based on the expectation that future price increases will exceed increases in family income. In March 1980, 56 percent of all families expected real income declines during the next year, the largest proportion recorded during the past four years.

Favorable Business Expectations Reach Record Low

Since mid-1979, news of recent business developments heard and recalled by respondents has remained overwhelmingly negative in each of the monthly surveys. By March 1980, reports of unfavorable news items exceeded favorable items by a margin of 82 to 11 percent. One-in-four families (one-in-three among high income families) mentioned interest rate increases and tight credit in the March 1980 survey.

Current business conditions have been viewed unfavorably by the majority since mid-1979. Among all families, 69 percent reported that business conditions were worse than those of a year earlier, somewhat above the 65 percent recorded in July 1979, and significantly less favorable than the 47 percent recorded in March 1979. Just 15 percent of all families reported in March 1980 that business conditions had improved during the past year, down from 22 percent in July 1979, and much below the 33 percent recorded in March 1979.

Growing pessimism concerning expected future changes in business conditions was recorded in the March 1980 survey, which reversed the improvement in short term business expectations since mid-1979. Among all families, 42 percent expected business conditions to worsen in the year ahead, up from 27 percent in February 1980, and 38 percent in March 1979. Just 14 percent of all families expected business conditions to improve during the next 12 months, down from 21 percent in February 1980, but slightly above the 10 percent in March 1979.

Combining respondent reports about past and expected changes in business conditions indicates that one-third of all respondents reported business conditions were worse than a year ago and expected them to further worsen in the year ahead. Reports of cumulative declines increased significantly in the March 1980 survey (32 percent) from February 1980 (22 percent), and March 1979 (24 percent).

More families expected bad times financially in the economy as a whole during the next one year and five year periods than ever before recorded in these surveys. Among all respondents, 76 percent expected bad times financially in the economy during the next 12 months, up from 67 percent in February 1980 and 63 percent in March 1979. Good times financially were expected by just 14 percent of all families in March 1980, down from 22 percent in February 1980 and 20 percent in March 1979. Short term business expectations were already at greatly depressed levels in the March 1979 survey, with three times as many respondents expecting bad times rather than good times financially; by March 1980, five times as many respondents expected bad rather than good times financially.

In March 1980, 72 percent of all families reported that they expected bad times financially in the economy as a whole during the next 5 years, a new record level. Favorable long term business prospects were held by just 13 percent of all families in the March 1980 survey, down from 21 percent in February 1980, and 16 percent in March 1979. The March survey reverses the entire improvement recorded in long term business expectations since mid-1979.

Record High in Interest Rate Expectations

Interest rate expectations grew sharply less favorable in the March 1980 survey, conducted largely before Carter's credit controls message, with more families now expecting increases in interest rates than ever before recorded. Following the October 1979 monetary policy announcement, interest rate expectations improved considerably, with the proportion expecting increases falling from 62 percent in November 1979 to 40 percent in December 1979. Since then, the expectation of increasing rates has risen to 71 percent in March 1980 from 47 percent in February and 45 percent in January 1980. Similarly, the proportion of respondents expecting declines fell from 34 percent in December 1979 to 10 percent in March 1980.

Expected changes in unemployment grew less favorable in March 1980, with 57 percent of all families reporting that they expected increases in unemployment during the next 12 months, up from 46 percent in February 1980, and 41 percent in March 1979. Unemployment was expected to decline by just 7 percent of all families in March 1980, down from 13 percent in February 1980.

In March 1980, 53 percent of all families expected prices to increase by 10% or more during the next 12 months, up from 50 percent in February 1980, and just 36 percent in March 1979. Overall, consumers expect prices to increase by 12% on average during the next 12 months in March 1980, up from 10.7% in February, and 9.7% in March 1979.

Confidence in government economic policy to combat inflation and unemployment declined in the March 1980 survey, nearly reversing the improvement recorded since mid-1979. In March 1980, 43 percent of all families rated government economic policy as poor, up from 34 percent in February 1980, and 36 percent in March 1979. Confidence in government economic policy was somewhat less favorable in July 1979 (48 percent rated policy as poor, the highest level recorded under the Carter administration.)

Attitudes Toward Market Conditions Decline

Unfavorable attitudes toward buying conditions for durable goods increased sharply in March 1980, reversing the January and February gains. Although the majority (54 percent) continue to hold favorable buying attitudes, 38 percent of all families reported unfavorable buying conditions for durables in March, up significantly from 26 percent in February 1980 and 25 percent in March 1979. The increase in unfavorable ratings was marked by greater concern over high prices and high interest rates. In March 1980, 16 percent of all families reported unfavorable buying attitudes because of tight credit and high interest rates, compared with just 4 percent a year ago. Buy-in-advance rationales increased from 33 percent in February 1980 to 43 percent in March, while mentions of good buys being available at low prices declined from 23 percent in February to 12 percent in March 1980.

Attitudes toward buying conditions for houses were somewhat less favorable in March than February 1980, and remain at greatly depressed levels. Thirty-two percent of all families report favorable buying conditions for houses compared with 36 percent in February and 50 percent in March 1979. Unfavorable buying conditions were reported by 62 percent of all respondents in March 1980, compared with 59 percent in February 1980 and 39 percent in March 1979.

Favorable buying attitudes for vehicles were held by 45 percent of all families in March 1980, identical to the proportion reporting unfavorable buying conditions. The March reading is unchanged from the February 1980 survey, although somewhat less favorable than year ago readings. Compared with a year ago, respondents more frequently mentioned that favorable assessments were based on the availability of good buys at low prices (from 5 to 14 percent) and new fuel efficient models (from 7 to 13 percent). Buy-in-advance price rationales were mentioned less frequently in March 1980 (22 percent) than in March 1979 (35 percent). In explanation for unfavorable ratings, high interest rates and tight credit conditions were mentioned by 17 percent of all families in March 1980, up from 6 percent in March 1979.

* * *

707 interviews were conducted between February 28 and March 23, 1980.

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rec'd 5/1/80

SURVEYS OF CONSUMER ATTITUDES

TABLES AND CHARTS

APRIL 1980

SURVEY RESEARCH CENTER
UNIVERSITY OF MICHIGAN

Institute for Social Research

TABLES AND CHARTS

APRIL 1980

THE APRIL 1980 SURVEY IS THE 117TH IN A SERIES OF SURVEYS OF CONSUMER ATTITUDES CONDUCTED DURING THE LAST 30 YEARS. THE PURPOSE OF THESE SURVEYS IS TO MEASURE CHANGES IN CONSUMER ATTITUDES AND EXPECTATIONS, AND TO INCREASE UNDERSTANDING OF WHY THESE CHANGES OCCUR AND HOW THEY AFFECT CONSUMER DECISIONS TO MAKE DISCRETIONARY PURCHASES OR TO SAVE. THIS TYPE OF UNDERSTANDING IS AN ESSENTIAL INGREDIENT FOR FORECASTING CHANGES IN AGGREGATE CONSUMER BEHAVIOR.

TWO CHARTS ARE PRESENTED FOR EVERY QUESTION. ONE GIVES QUARTERLY RESULTS FROM 1955 TO THE LAST QUARTERLY OBSERVATION. A SECOND CHART SHOWS MONTHLY RESULTS SINCE JANUARY OF 1978, WHEN THIS SERIES WAS INSTITUTED, ALONG WITH A SIMPLE THREE MONTH MOVING AVERAGE PLOTTED ON THE LAST OF THE THREE MONTHS.

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3	COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT
4	CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO
5	SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION
6	EXPECTED CHANGE IN FINANCIAL SITUATION
7	TREND IN PERSONAL FINANCIAL SITUATION
10	EXPECT INCOME UP MORE OR LESS THAN PRICES NEXT YEAR
11	NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS
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26	BUYING CONDITIONS FOR CARS
27	SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

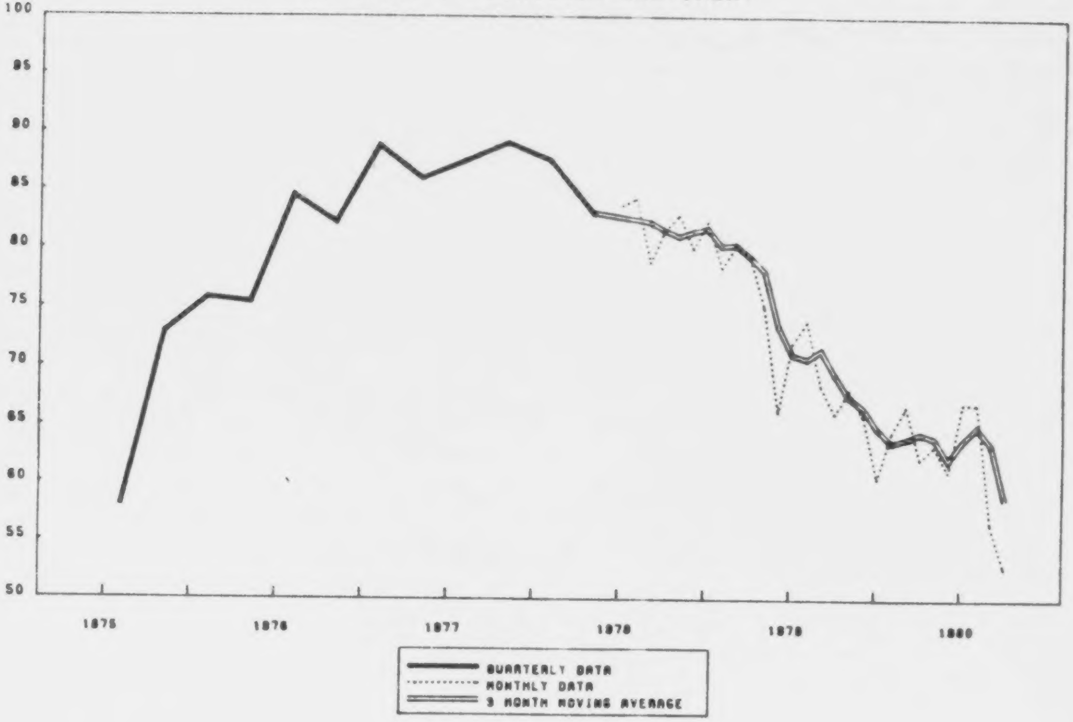

CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT

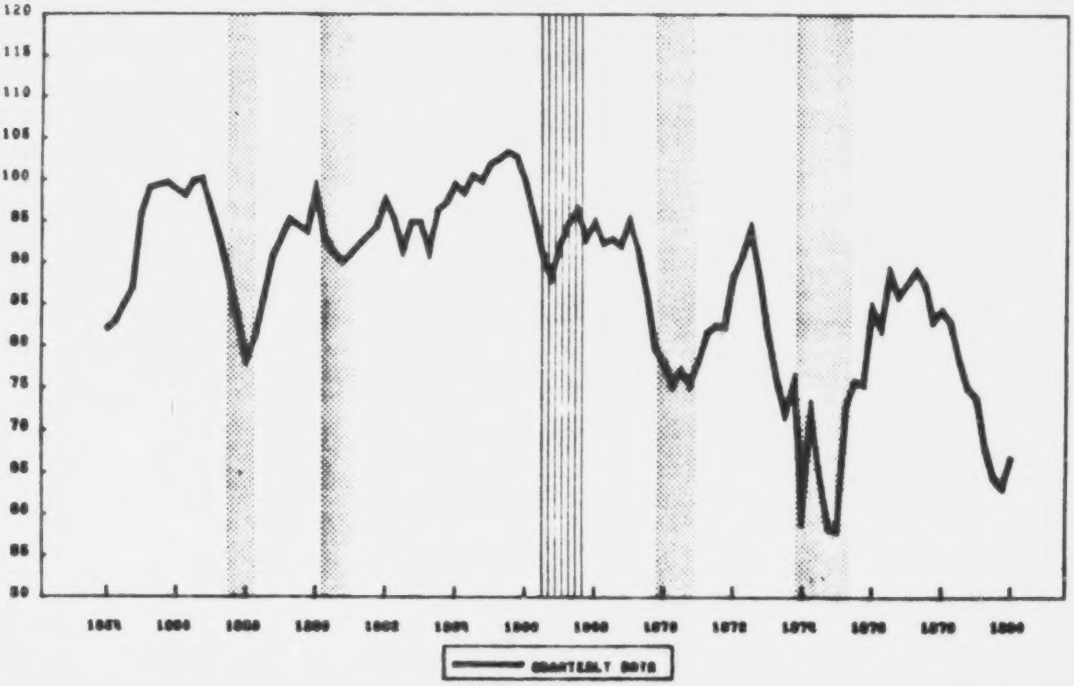

TABLE 1

THE INDEX OF CONSUMER SENTIMENT

DATE OF STUDY		ALL FAMILIES	INCOME $15,000+
FEBRUARY	1974	60.9	56.3
MAY	1974	72.0	65.4
AUG-SEPT.	1974	64.5	55.0
OCTOBER	1974	58.4	55.4
FEBRUARY	1975	58.0	53.6
MAY	1975	72.9	66.2
AUG-SEPT.	1975	75.8	71.1
OCT-NOV.	1975	75.4	70.~~6~~2
FEBRUARY	1976	84.5	78.1
MAY	1976	82.2	82.5
AUG-SEPT.	1976	88.8	87.3
NOV-DEC.	1976	86.0	80.9
FEBRUARY	1977	87.5	87.3
MAY	1977	89.1	84.0
AUG-SEPT.	1977	87.6	85.3
NOV-DEC.	1977	83.1	81.1
JANUARY	1978	83.7	80.3
FEBRUARY	1978	84.3	83.2
MARCH	1978	78.8	74.3
APRIL	1978	81.6	80.4
MAY	1978	82.9	74.7
JUNE	1978	80.0	77.8
JULY	1978	82.4	79.6
AUGUST	1978	78.4	72.5
SEPTEMBER	1978	80.4	76.1
OCTOBER	1978	79.3	76.1
NOVEMBER	1978	75.0	67.7
DECEMBER	1978	66.1	61.2
JANUARY	1979	72.1	68.4
FEBRUARY	1979	73.9	70.9
MARCH	1979	68.4	65.2
APRIL	1979	66.0	61.4
MAY	1979	68.1	62.1
JUNE	1979	65.8	60.1
JULY	1979	60.4	55.7
AUGUST	1979	64.5	59.1
SEPTEMBER	1979	66.7	58.5
OCTOBER	1979	62.1	56.5
NOVEMBER	1979	63.3	57.2
DECEMBER	1979	61.0	51.6
JANUARY	1980	67.0	58.7
FEBRUARY	1980	66.9	60.2
MARCH	1980	56.5	51.3
APRIL	1980	52.8	45.4

TABLE 3
COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT **

DATE		1*	2*	3*	4*	5*	CURRENT (1,5)	EXPECTED (2,3,4)
FEBRUARY	1976	103	124	118	79	128	90.2	81.0
MAY	1976	100	118	120	76	124	87.5	78.9
AUG-SEPT.	1976	105	119	127	92	139	95.1	84.9
NOV-DEC.	1976	96	115	117	105	129	87.9	84.5
FEBRUARY	1977	99	121	115	97	141	93.6	84.5
MAY	1977	108	115	118	92	149	100.0	81.8
AUG-SEPT.	1977	107	116	115	86	149	99.7	79.8
NOV-DEC.	1977	107	107	104	84	139	95.9	74.5
JANUARY	1978	105	114	106	80	142	96.2	75.7
FEBRUARY	1978	106	109	108	89	139	95.4	77.1
MARCH	1978	100	107	91	77	140	93.2	69.5
APRIL	1978	104	112	98	71	148	97.9	71.1
MAY	1978	105	111	99	79	147	98.2	73.0
JUNE	1978	107	102	97	71	146	98.4	68.1
JULY	1978	108	111	105	69	146	98.7	71.9
AUGUST	1978	102	112	82	70	145	96.1	67.0
SEPTEMBER	1978	109	108	96	71	140	96.9	69.7
OCTOBER	1978	96	104	103	77	138	91.2	71.6
NOVEMBER	1978	106	105	74	67	135	94.1	62.8
DECEMBER	1978	95	97	61	53	123	85.2	53.7
JANUARY	1979	100	99	72	58	138	93.3	58.4
FEBRUARY	1979	99	98	75	71	138	92.2	62.2
MARCH	1979	96	99	57	53	138	91.2	53.7
APRIL	1979	85	90	63	56	134	85.9	53.3
MAY	1979	91	95	58	62	136	88.7	54.9
JUNE	1979	92	91	54	55	134	88.2	51.4
JULY	1979	89	92	39	40	130	85.7	44.2
AUGUST	1979	95	98	46	48	131	88.2	49.3
SEPTEMBER	1979	90	98	60	51	133	87.1	53.6
OCTOBER	1979	82	96	48	49	126	81.6	49.5
NOVEMBER	1979	86	97	52	54	120	80.9	52.0
DECEMBER	1979	81	99	52	50	112	75.7	51.5
JANUARY	1980	96	106	58	47	127	87.1	54.1
FEBRUARY	1980	85	99	55	60	134	85.5	54.9
MARCH	1980	76	92	38	41	116	77.3	44.3
APRIL	1980	73	94	32	45	94	65.8	44.4

PERSONAL FINANCIAL ATTITUDES
- 1* BETTER OR WORSE OFF THAN A YEAR AGO
- 2* EXPECT TO BE BETTER OR WORSE OFF IN A YEAR

EXPECTED BUSINESS CONDITIONS
- 3* NEXT 12 MONTHS
- 4* NEXT 5 YEARS

MARKET CONDITIONS
- 5* BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

**PERCENT SAYING "GOOD TIMES" (OR "BETTER"), MINUS PERCENT SAYING "BAD TIMES" (OR "WORSE"), PLUS 100.

CHART 4 - RECENT CHANGES

CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

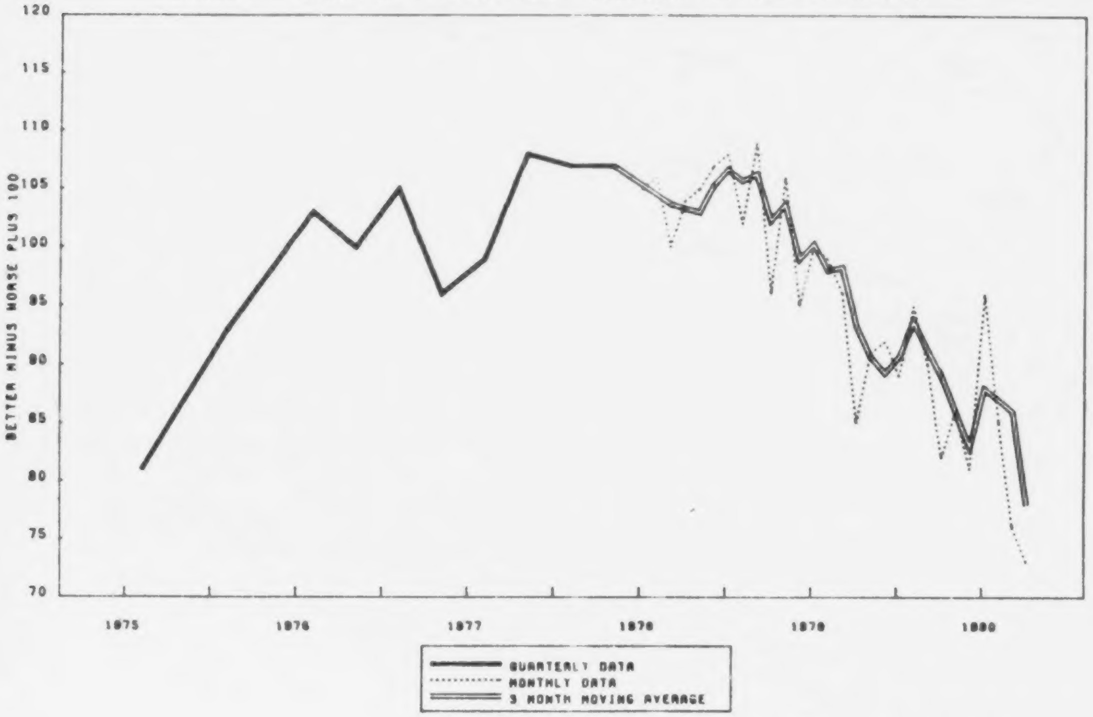

CHART 4 - HISTORICAL SERIES

CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

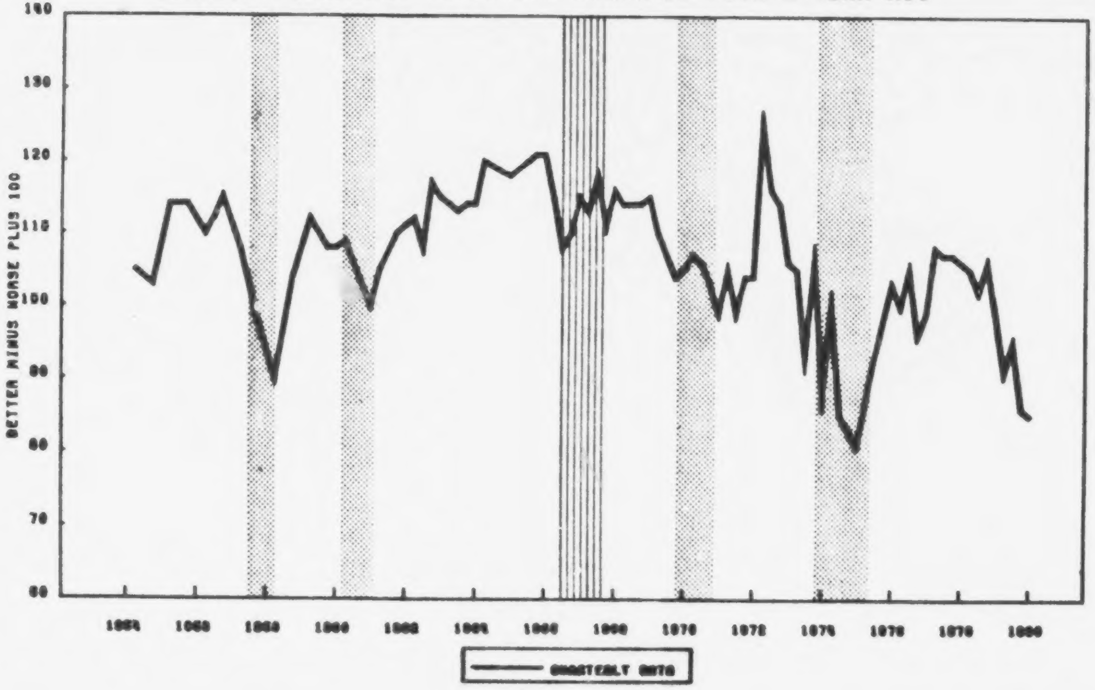

TABLE 4

CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980	FEB. 1980	MAR. 1980	APR. 1980
BETTER OFF	30%	31%	34%	31%	33%	31%	28%	30%	27%	34%	30%	24%	24%
SAME	24	29	24	27	28	27	26	25	26	28	25	28	25
WORSE OFF	45	40	42	42	38	41	46	44	46	38	45	48	51
DK, NA	1	*	*	*	1	1	*	1	1	*	*	*	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

* = LESS THAN HALF OF ONE PERCENT.

THE QUESTION WAS: "WE ARE INTERESTED IN HOW PEOPLE ARE GETTING ALONG FINANCIALLY THESE DAYS. WOULD YOU SAY THAT YOU (AND YOUR FAMILY LIVING THERE) ARE BETTER OFF OR WORSE OFF FINANCIALLY THAN YOU WERE A YEAR AGO?"

CHART 5 - RECENT CHANGES
REASONS FOR FINANCIAL SITUATION COMPARED TO A YEAR AGO

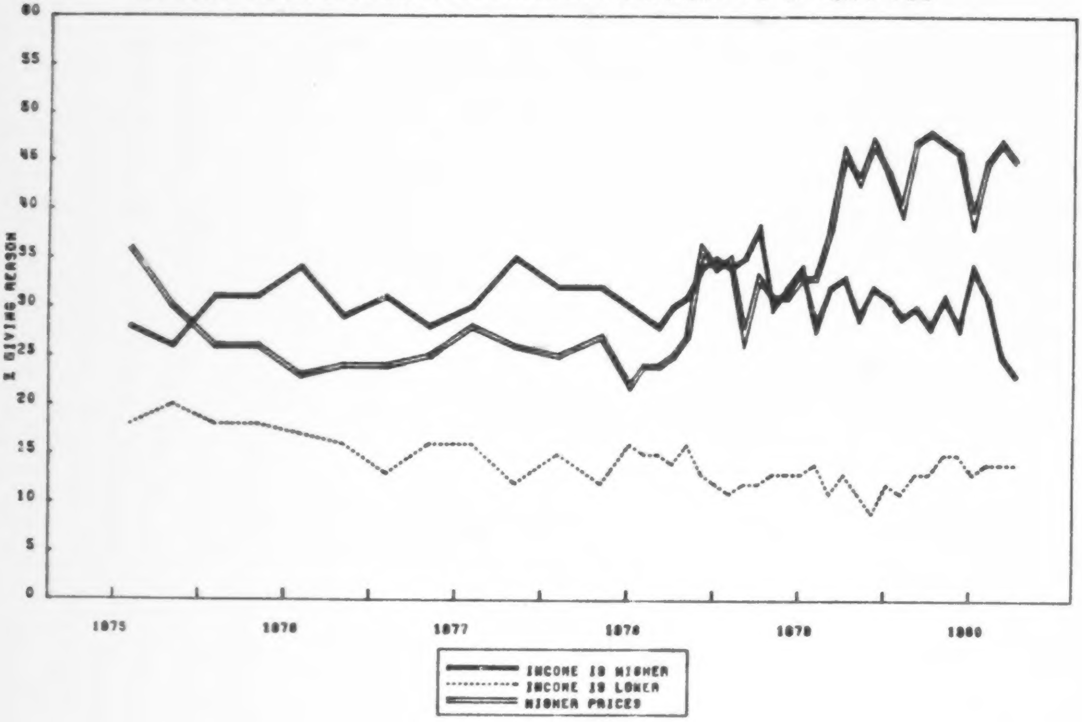

TABLE 5

SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION NOW COMPARED TO A YEAR AGO

	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980	FEB. 1980	MAR. 1980	APR. 1980
BETTER OFF BECAUSE:													
INCOME IS HIGHER	33%	29%	32%	31%	29%	30%	28%	31%	28%	34%	31%	25%	23%
WORSE OFF BECAUSE:													
INCOME IS LOWER	13	11	9	12	11	13	13	15	15	13	14	14	14
HIGHER PRICES	46	43	47	44	40	47	48	47	46	39	45	47	45

RESPONSES TO THE QUERY "WHY DO YOU SAY SO?" FOLLOWING THE QUESTION NOTED IN THE PREVIOUS TABLE.

CHART 6 - RECENT CHANGES
EXPECTED CHANGE IN FINANCIAL SITUATION

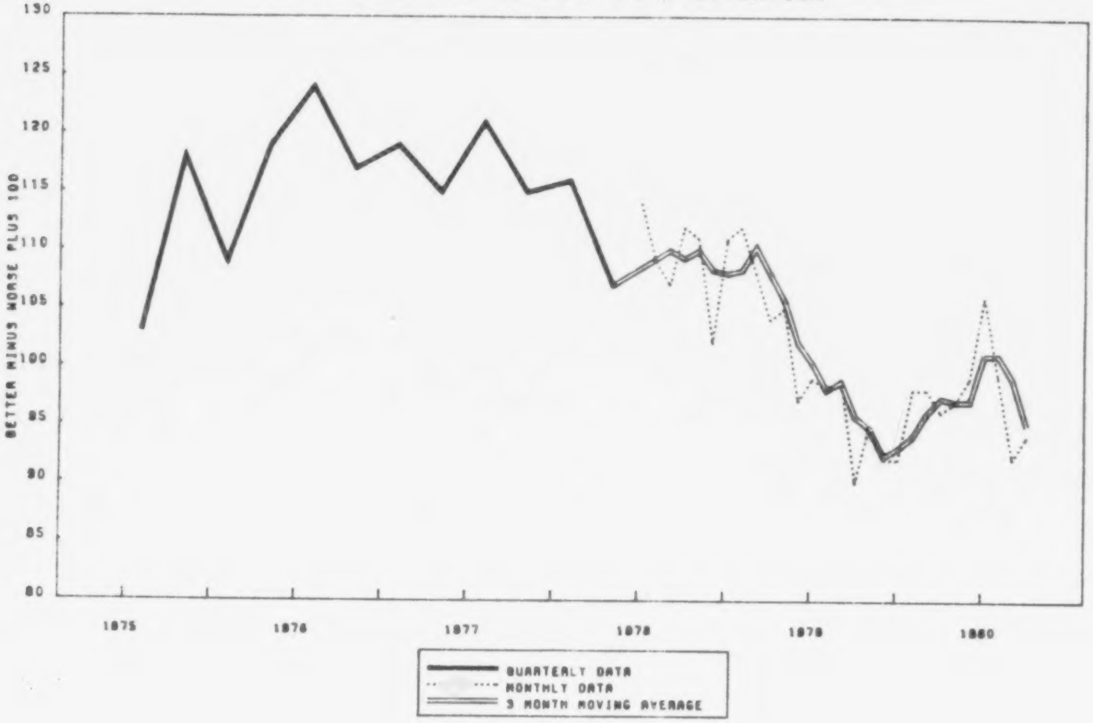

CHART 6 - HISTORICAL SERIES
EXPECTED CHANGE IN FINANCIAL SITUATION

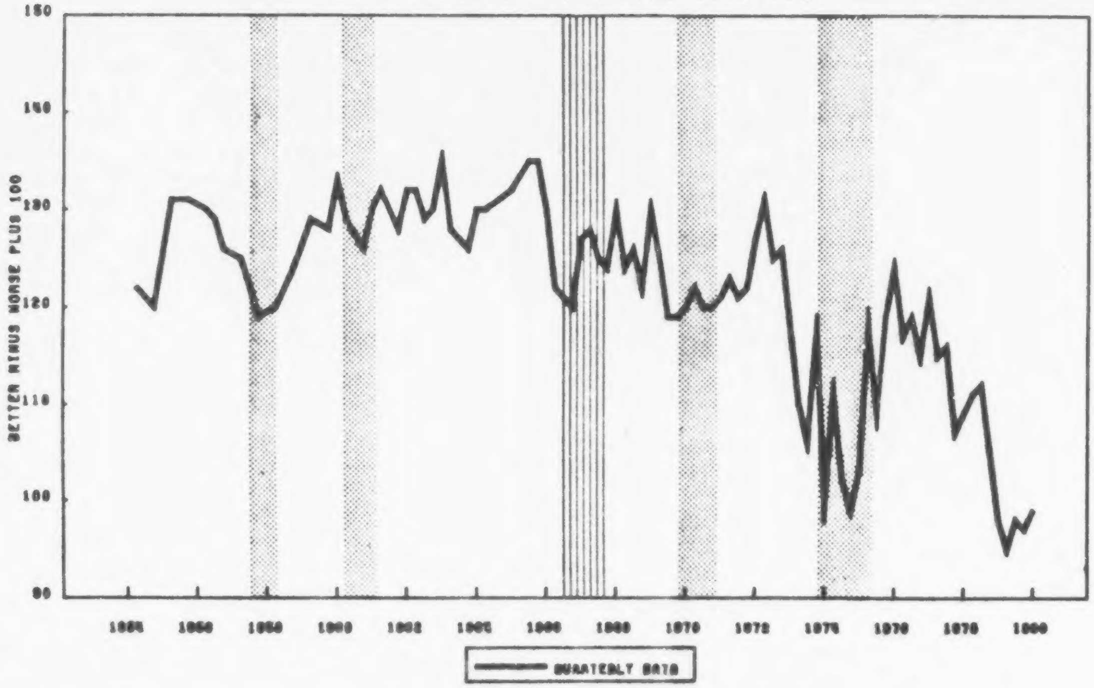

TABLE 6

EXPECTED CHANGE IN FINANCIAL SITUATION

	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980	FEB. 1980	MAR. 1980	APR. 1980
BETTER OFF	21%	21%	21%	20%	23%	24%	24%	21%	25%	28%	25%	20%	25%
SAME	45	49	46	49	50	47	45	53	44	46	45	47	42
WORSE OFF	31	26	29	28	25	26	28	24	26	22	26	28	31
DK/NA	3	4	4	3	2	3	3	2	5	4	4	5	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "NOW LOOKING AHEAD - DO YOU THINK THAT A YEAR FROM NOW YOU (AND YOUR FAMILY LIVING THERE) WILL BE BETTER OFF FINANCIALLY, OR WORSE OFF, OR JUST ABOUT THE SAME AS NOW?"

CHART 7 - RECENT CHANGES
TREND IN PERSONAL FINANCIAL SITUATION

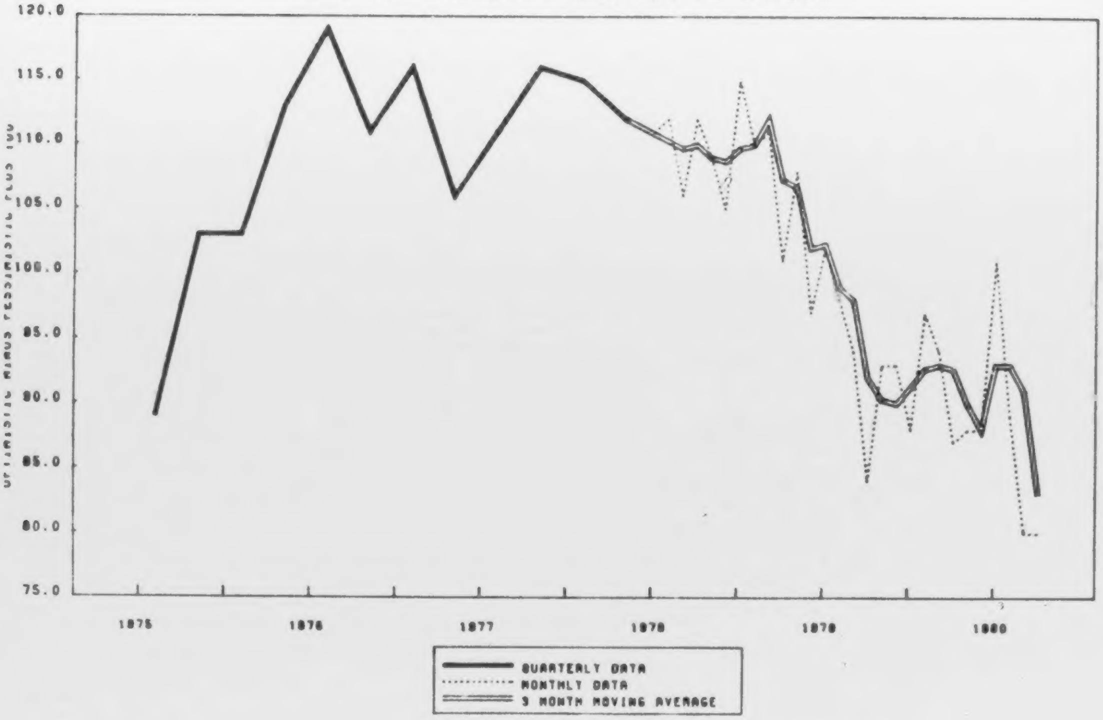

CHART 7 - HISTORICAL SERIES
TREND IN PERSONAL FINANCIAL SITUATION

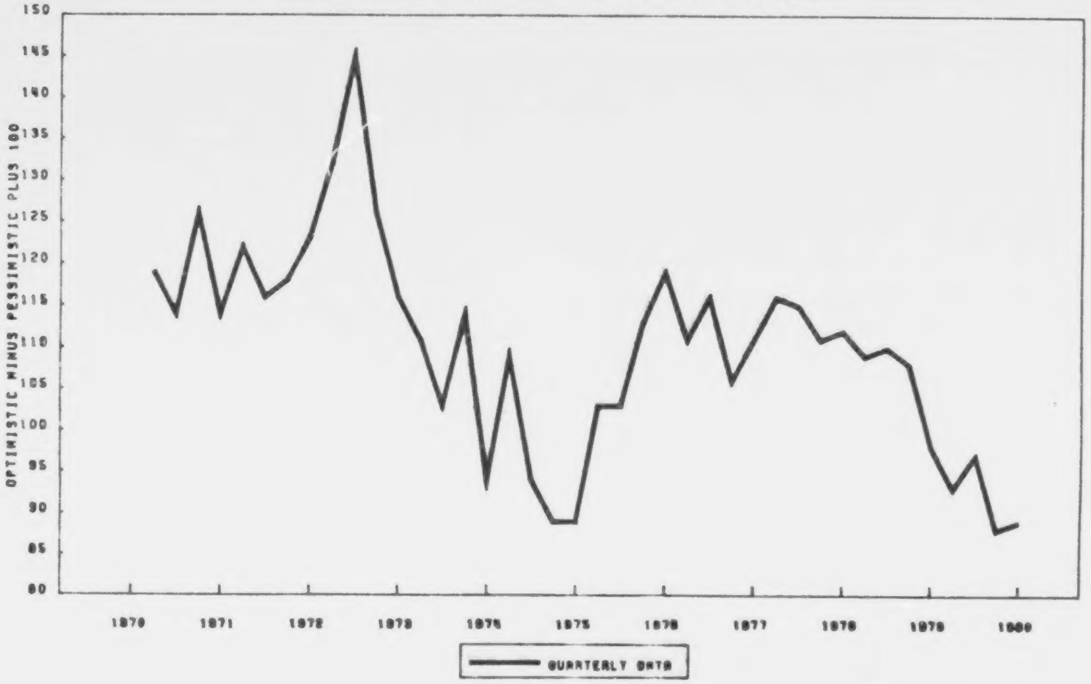

TABLE 7

TREND IN PERSONAL FINANCIAL SITUATION

	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980	FEB. 1980	MAR. 1980	APR. 1980
B/B+	13%	9%	11%	11%	13%	11%	11%	11%	12%	15%	13%	8%	8%
B/S, S/B	17	21	22	19	21	20	18	19	17	21	19	16	16
S/S	13	17	13	16	17	16	14	16	14	16	12	15	14
W/S, S/W	26	21	21	24	22	21	23	26	23	20	25	27	23
W/W	20	17	19	18	15	16	19	16	18	13	18	17	21
W/B, B/W	8	10	10	8	9	13	12	10	12	11	10	12	16
DK, NA	3	5	4	4	3	3	3	2	4	4	3	5	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

KEY: B=BETTER, S=SAME, W=WORSE; DK=DON'T KNOW, NA=NOT ASCERTAINED,
+ = BETTER THAN A YEAR AGO/WILL BE BETTER A YEAR FROM NOW.

TABLE 10

EXPECT INCOME OR PRICES UP MORE NEXT YEAR

	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980	FEB. 1980	MAR. 1980	APR. 1980
INCOME UP MORE	10%	11%	9%	11%	12%	9%	9%	10%	10%	8%	14%	8%	12%
INCOME UP SAME	30	36	35	32	34	35	35	38	35	36	33	32	37
PRICES UP MORE	56	48	53	55	50	53	52	49	51	52	51	56	48
DK, NA	4	5	3	2	4	3	4	3	4	4	2	4	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "HOW ABOUT IN THE NEXT YEAR OR TWO -- DO YOU EXPECT YOUR (FAMILY) INCOME WILL GO UP MORE THAN PRICES WILL GO UP, ABOUT THE SAME, OR LESS THAN PRICES WILL GO UP?"

CHART 11 - RECENT CHANGES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

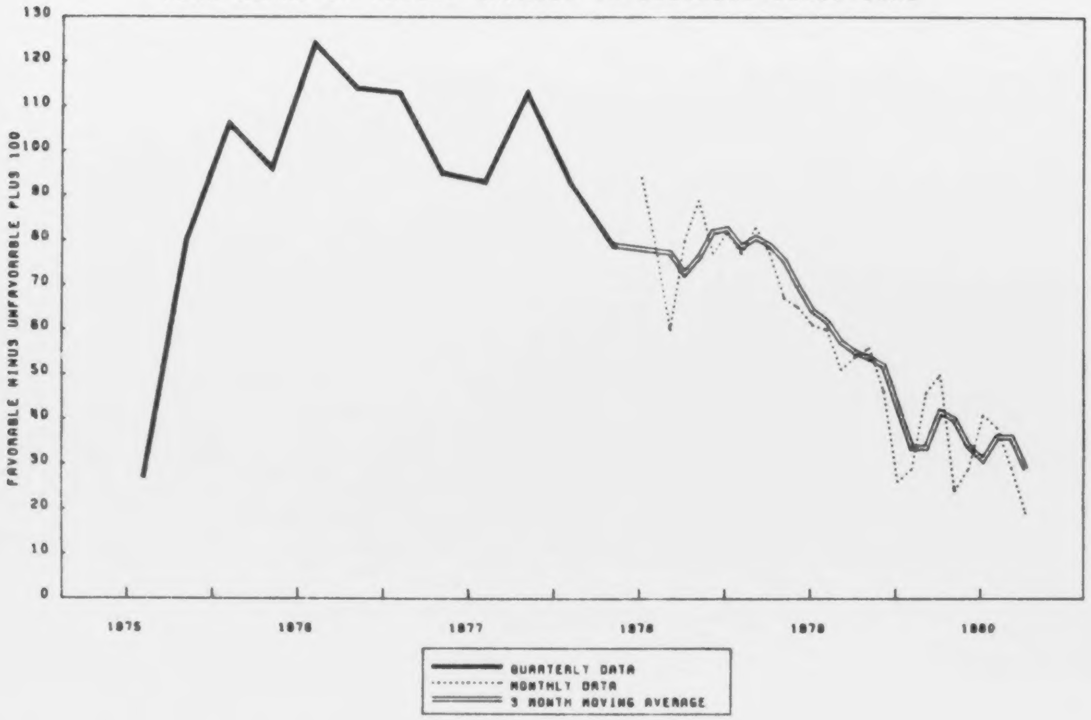

CHART 11 - HISTORICAL SERIES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

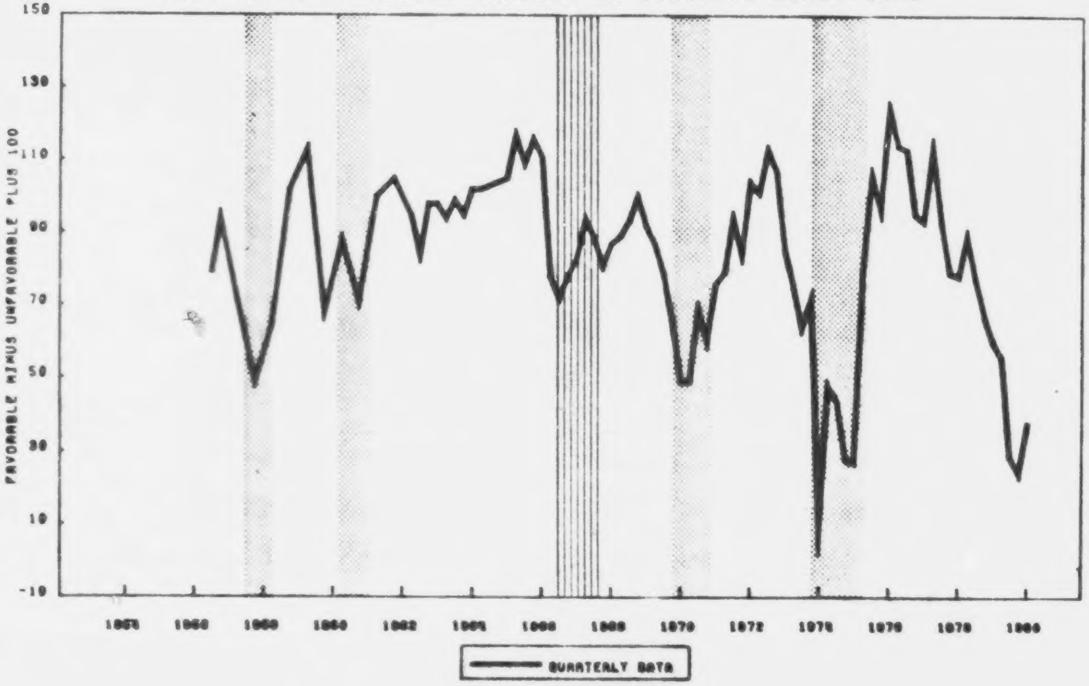

TABLE 11

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980	FEB. 1980	MAR. 1980	APR. 1980
FAVORABLE NEWS	18%	18%	13%	12%	15%	11%	13%	11%	10%	17%	14%	11%	10%
UNFAVORABLE NEWS	64	62	67	86	86	65	63	87	81	76	76	82	91
NO MENTIONS	40	46	43	33	34	47	47	38	41	39	41	41	35

ADDS TO MORE THAN 100% DUE TO RESPONDENTS MENTIONING TWO CHANGES.

THE QUESTIONS WERE: "DURING THE LAST FEW MONTHS, HAVE YOU HEARD OF ANY FAVORABLE OR UNFAVORABLE CHANGES IN BUSINESS CONDITIONS? WHAT DID YOU HEAR?"

CHART 12 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

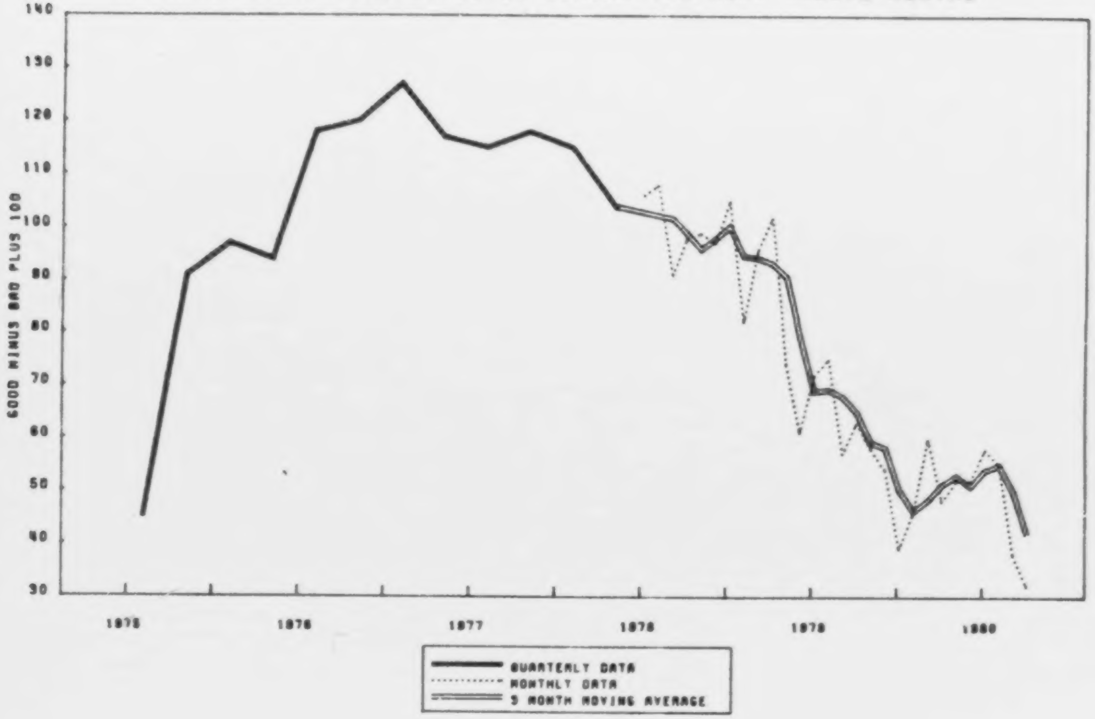

CHART 12 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

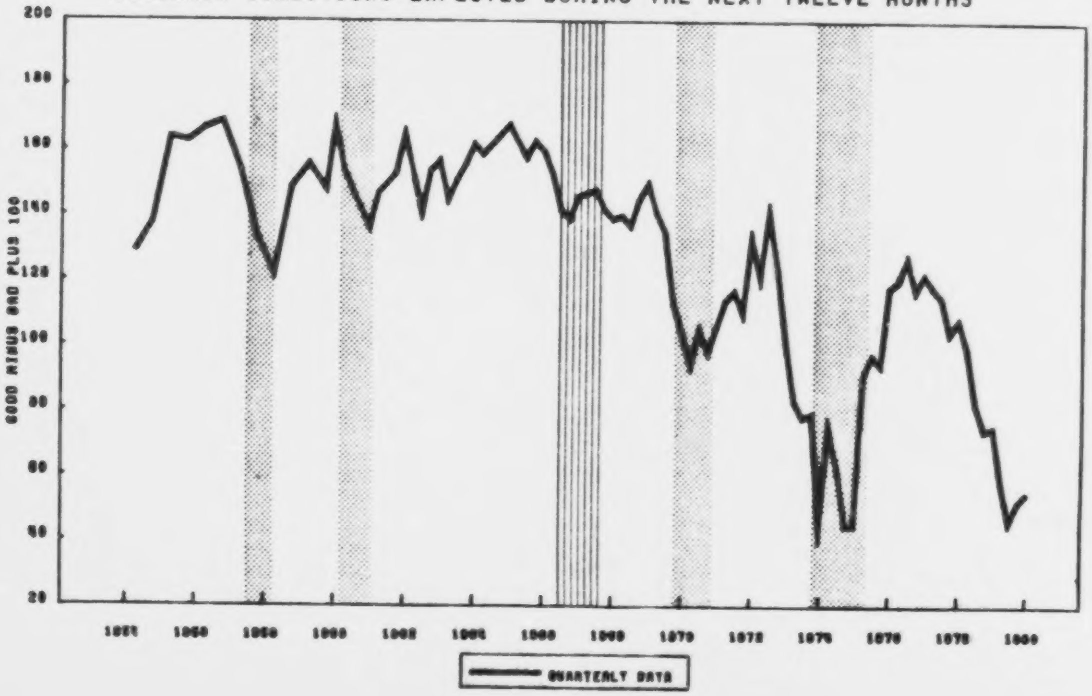

TABLE 12

BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980	FEB. 1980	MAR. 1980	APR. 1980
GOOD TIMES	24%	21%	20%	13%	17%	23%	18%	20%	20%	24%	22%	14%	11%
GOOD IN SOME WAYS, BAD IN OTHERS	5	5	2	1	3	3	1	3	2	1	1	1	1
BAD TIMES	61	63	66	74	71	63	70	68	68	66	67	76	79
UNCERTAIN	5	4	5	4	5	5	5	4	4	4	5	4	4
NOT ASCERTAINED	5	7	7	8	4	6	6	5	6	5	5	5	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "NOW TURNING TO BUSINESS CONDITIONS IN THE COUNTRY AS A WHOLE -- DO YOU THINK THAT DURING THE NEXT 12 MONTHS WE'LL HAVE GOOD TIMES FINANCIALLY OR BAD TIMES, OR WHAT?

CHART 13 - RECENT CHANGES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

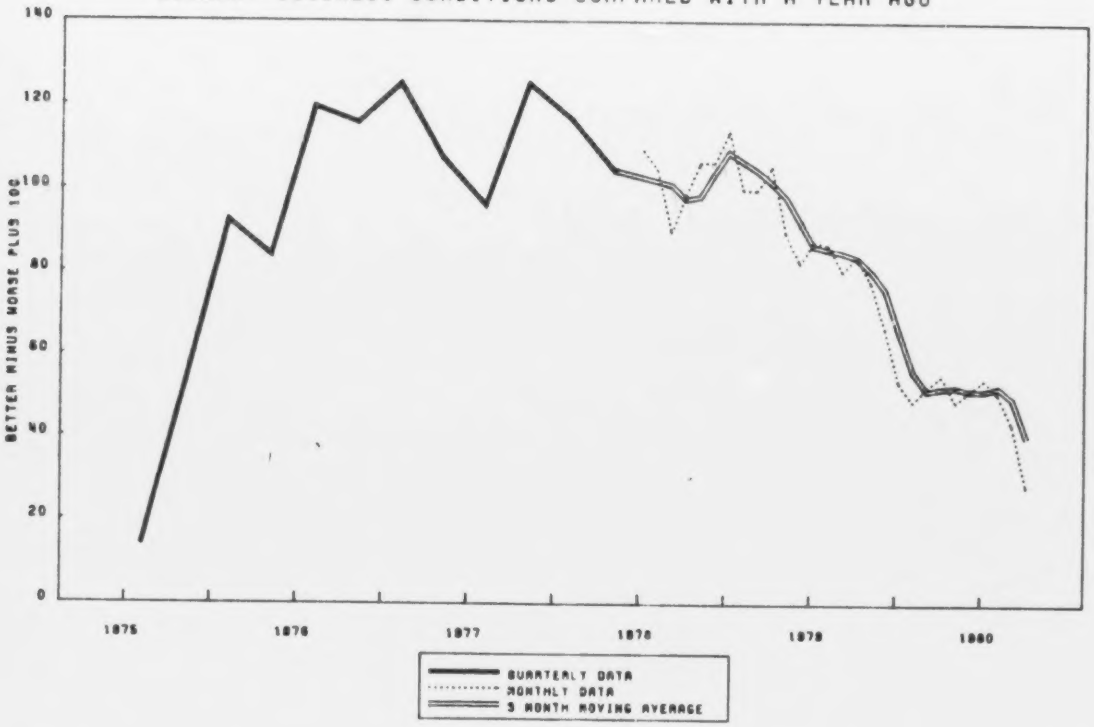

CHART 13 - HISTORICAL SERIES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

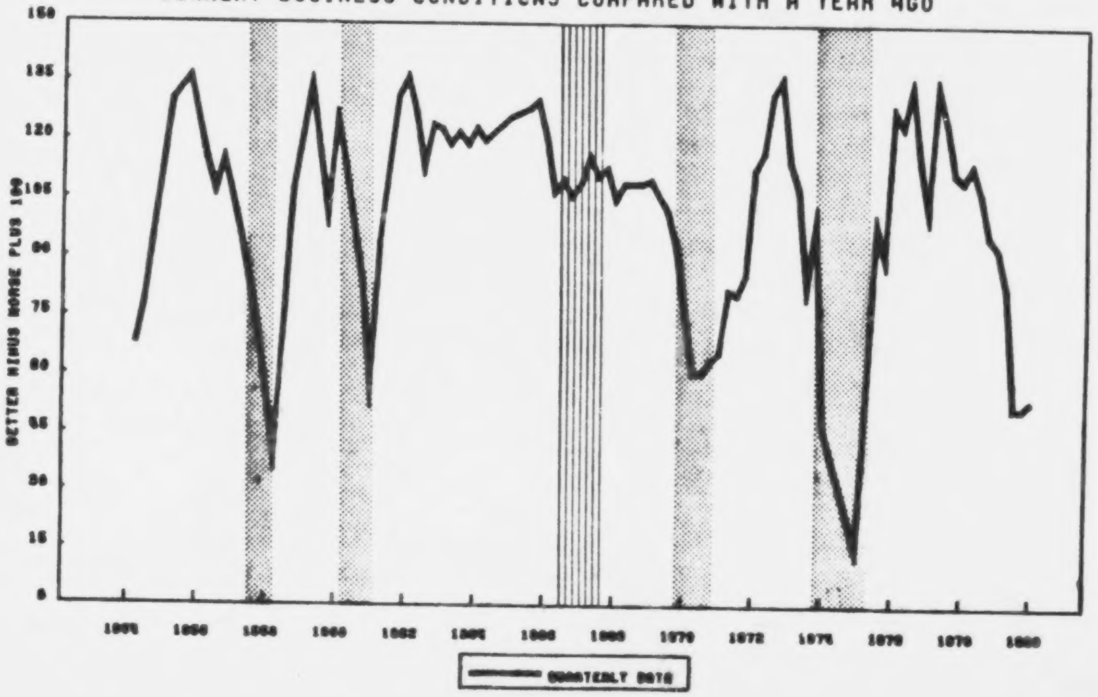

TABLE 13

CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980	FEB. 1980	MAR. 1980	APR. 1980
BETTER NOW	36%	33%	27%	22%	20%	22%	22%	19%	21%	21%	21%	15%	10%
SAME	13	15	13	10	10	9	12	12	12	15	10	12	9
WORSE NOW	46	50	56	65	68	66	63	67	66	62	67	69	80
DK, NA	5	2	4	3	2	3	3	2	1	2	2	4	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "WOULD YOU SAY THAT AT THE PRESENT TIME BUSINESS CONDITIONS ARE BETTER OR WORSE THAN THEY WERE A YEAR AGO?"

CHART 14 - RECENT CHANGES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

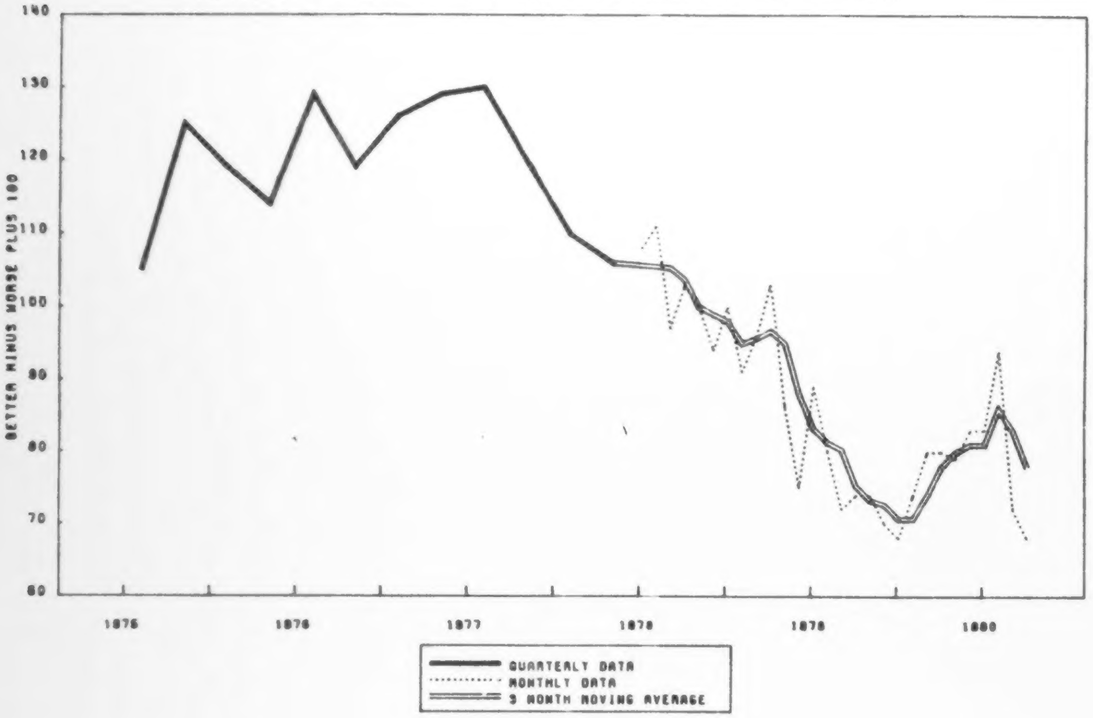

CHART 14 - HISTORICAL SERIES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

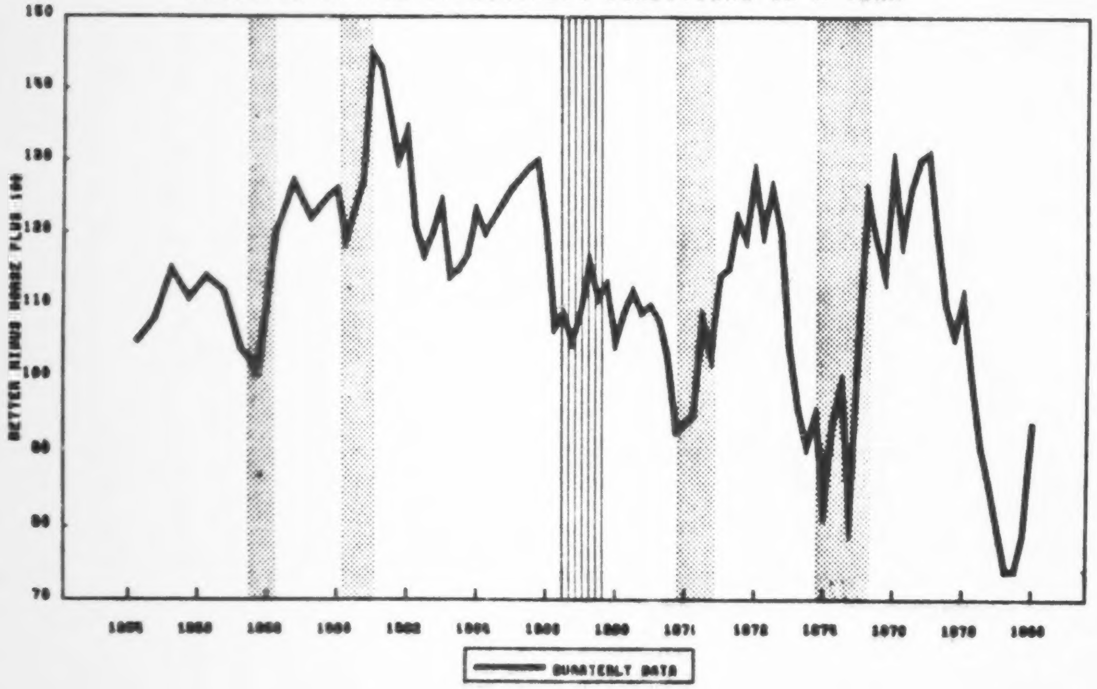

TABLE 14

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980	FEB. 1980	MAR. 1980	APR. 1980
BETTER	12%	11%	12%	11%	13%	15%	15%	15%	18%	17%	21%	14%	14%
SAME	45	49	42	43	46	46	47	47	43	44	49	42	37
WORSE	38	37	42	43	39	35	35	36	35	35	27	42	46
DK, NA	5	3	4	3	2	4	3	2	4	4	3	2	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "AND HOW ABOUT A YEAR FROM NOW, DO YOU EXPECT THAT IN THE COUNTRY AS A WHOLE BUSINESS CONDITIONS WILL BE BETTER OR WORSE THAN THEY ARE AT PRESENT, OR JUST ABOUT THE SAME?"

CHART 15 - RECENT CHANGES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

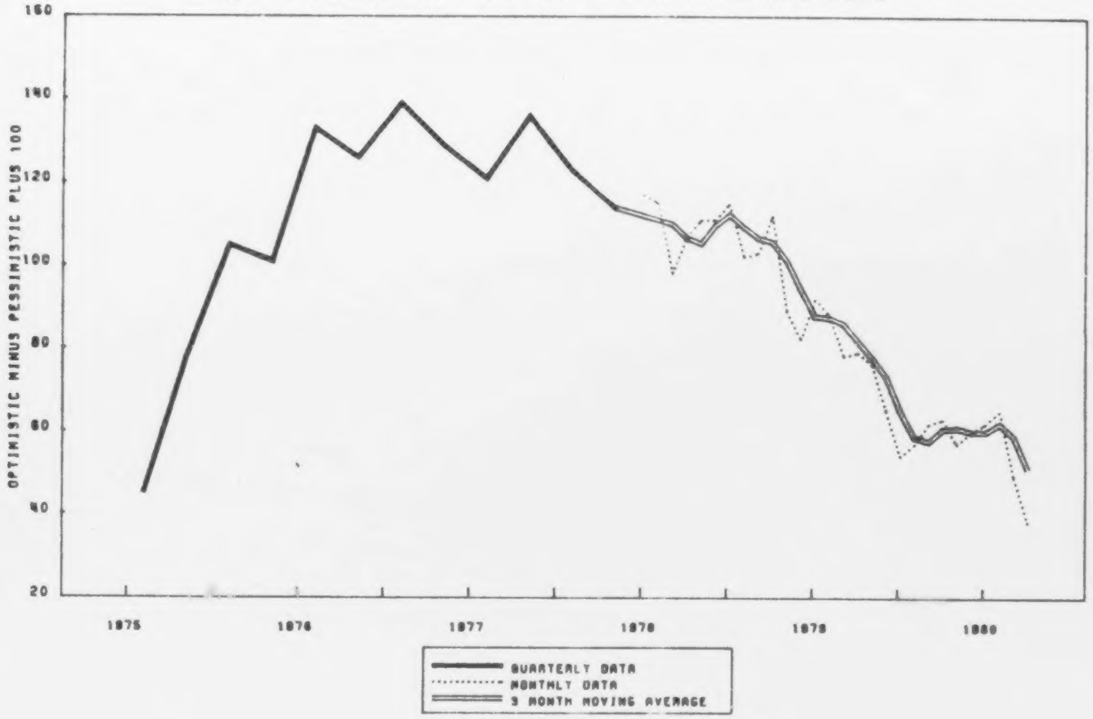

CHART 15 - HISTORICAL SERIES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

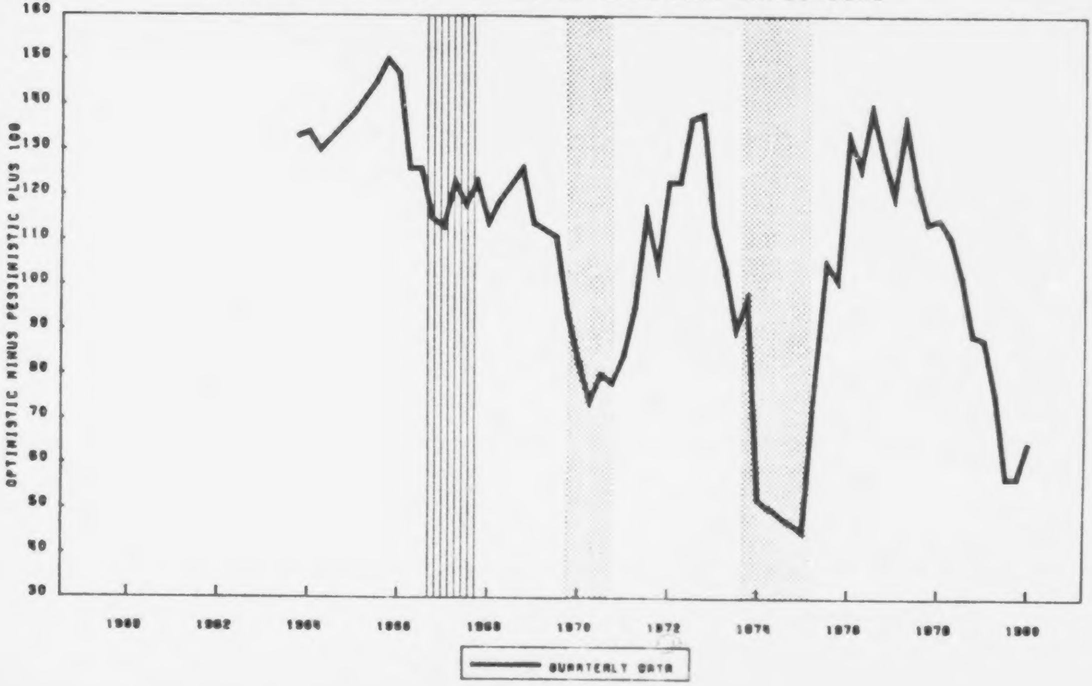

TABLE 15

TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980	FEB. 1980	MAR. 1980	APR. 1980
B/B+	8%	7%	6%	3%	4%	5%	6%	4%	6%	6%	8%	3%	4%
B/S, S/B	17	17	13	13	13	14	13	12	11	10	12	9	6
S/S	8	10	7	5	5	5	7	8	6	9	6	6	3
W/S, S/W	23	25	27	29	30	30	31	30	29	30	33	31	32
W/W	23	23	28	33	31	27	26	29	28	24	22	32	40
W/B, B/W	14	13	12	13	12	13	11	14	14	16	15	14	11
DK, NA	7	5	7	4	5	6	6	3	6	5	4	5	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

KEY: B=BETTER, S=SAME, W=WORSE, DK=DON'T KNOW, NA=NOT ASCERTAINED,

+ = BETTER THAN A YEAR AGO/WILL BE BETTER A YEAR FROM NOW.

CHART 16 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

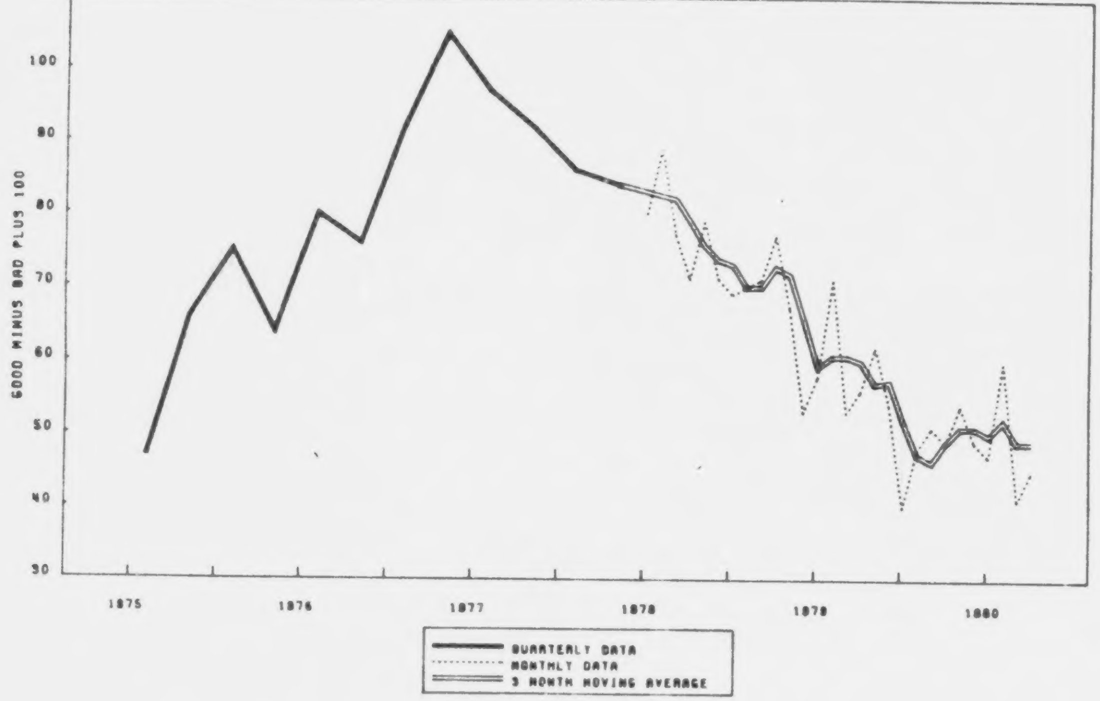

CHART 16 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

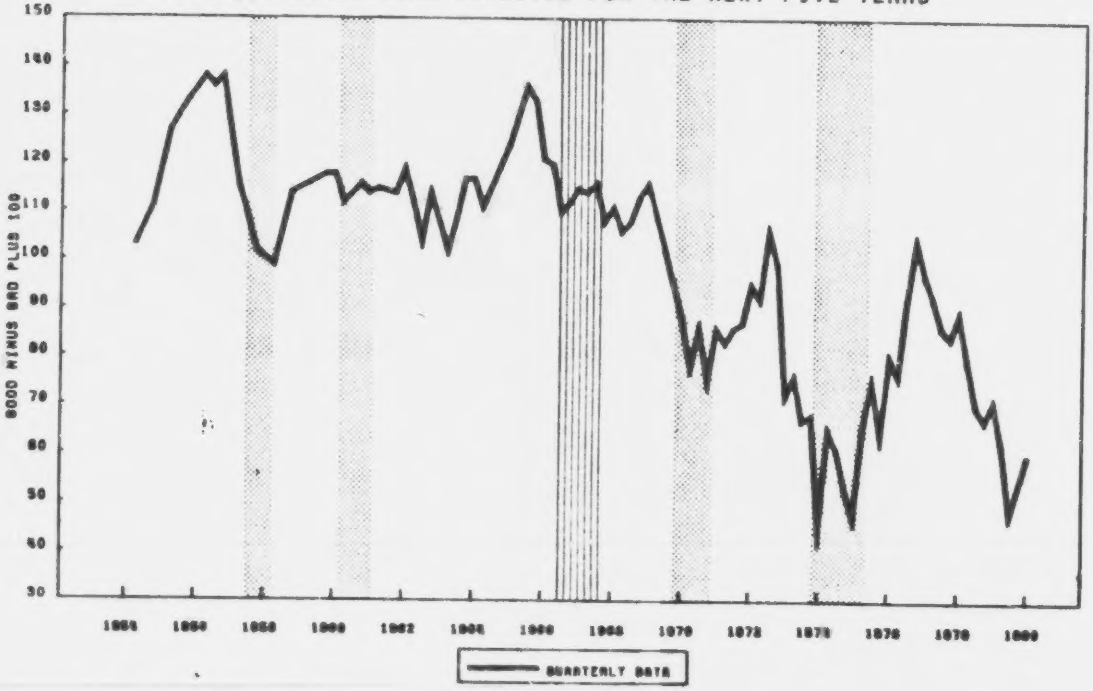

TABLE 16

BUSINESS CONDITIONS EXPECTED FOR NEXT FIVE YEARS

	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980	FEB. 1980	MAR. 1980	APR. 1980
GOOD TIMES	18%	19%	14%	10%	14%	16%	16%	18%	15%	17%	21%	13%	14%
UNCERTAIN, GOOD & BAD	13	17	16	14	15	16	13	12	14	8	14	10	12
BAD TIMES	62	57	60	70	66	65	67	64	66	70	61	72	69
NA	7	7	10	6	5	3	4	6	5	5	4	5	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "LOOKING AHEAD, WHICH WOULD YOU SAY IS MORE LIKELY -- THAT IN THE COUNTRY AS A WHOLE WE'LL HAVE CONTINUOUS GOOD TIMES DURING THE NEXT 5 YEARS OR SO, OR THAT WE WILL HAVE PERIODS OF WIDESPREAD UNEMPLOYMENT OR DEPRESSION, OR WHAT?"

CHART 17 - RECENT CHANGES
EXPECTED CHANGE IN INTEREST RATES

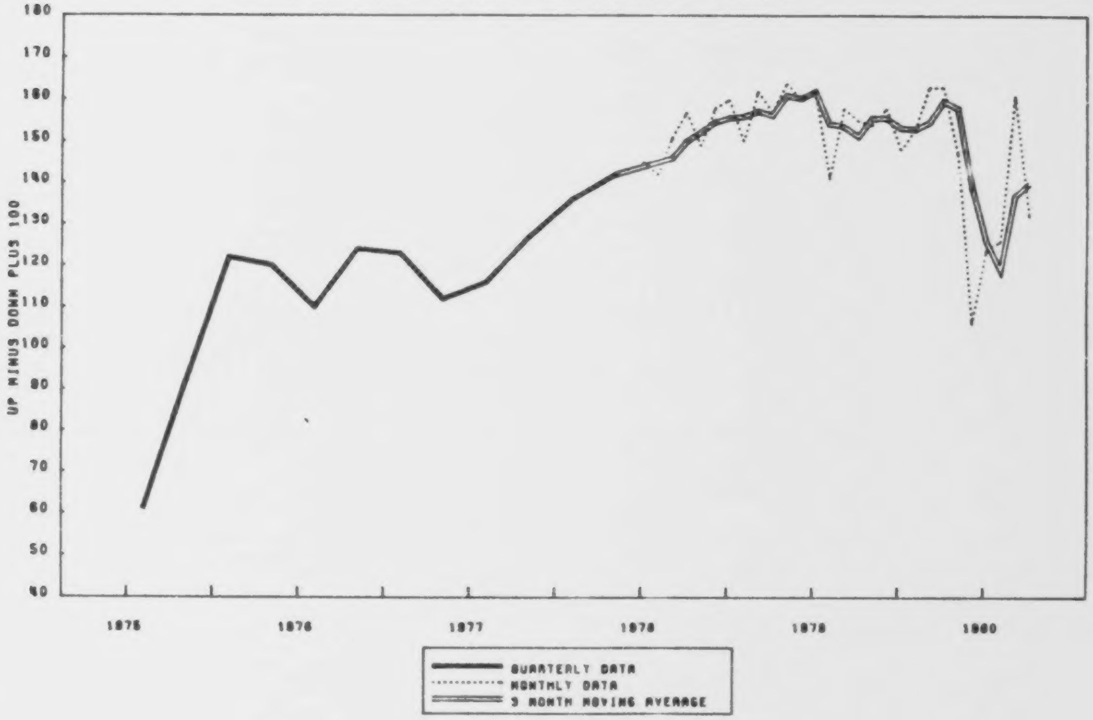

CHART 17 - HISTORICAL SERIES
EXPECTED CHANGE IN INTEREST RATES

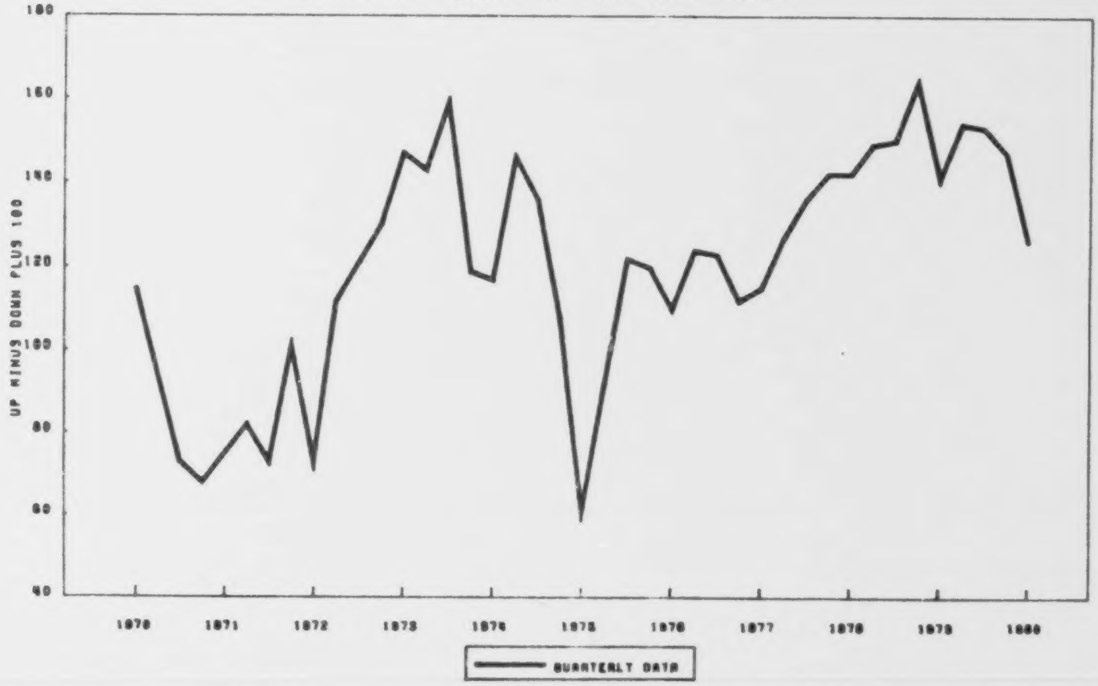

TABLE 17

EXPECTED CHANGE IN INTEREST RATES

	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980	FEB. 1980	MAR. 1980	APR. 1980
GO UP	63%	61%	66%	60%	61%	70%	70%	62%	40%	45%	47%	71%	56%
STAY THE SAME	25	27	22	25	26	20	20	20	22	30	29	16	18
GO DOWN	8	7	8	12	8	7	7	15	34	21	21	10	24
DK, NA	4	5	4	3	5	3	3	3	4	4	3	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "NO ONE CAN SAY FOR SURE, BUT WHAT DO YOU THINK WILL HAPPEN TO INTEREST RATES FOR BORROWING DURING THE NEXT 12 MONTHS?"

CHART 18 - RECENT CHANGES
EXPECTED CHANGE IN UNEMPLOYMENT

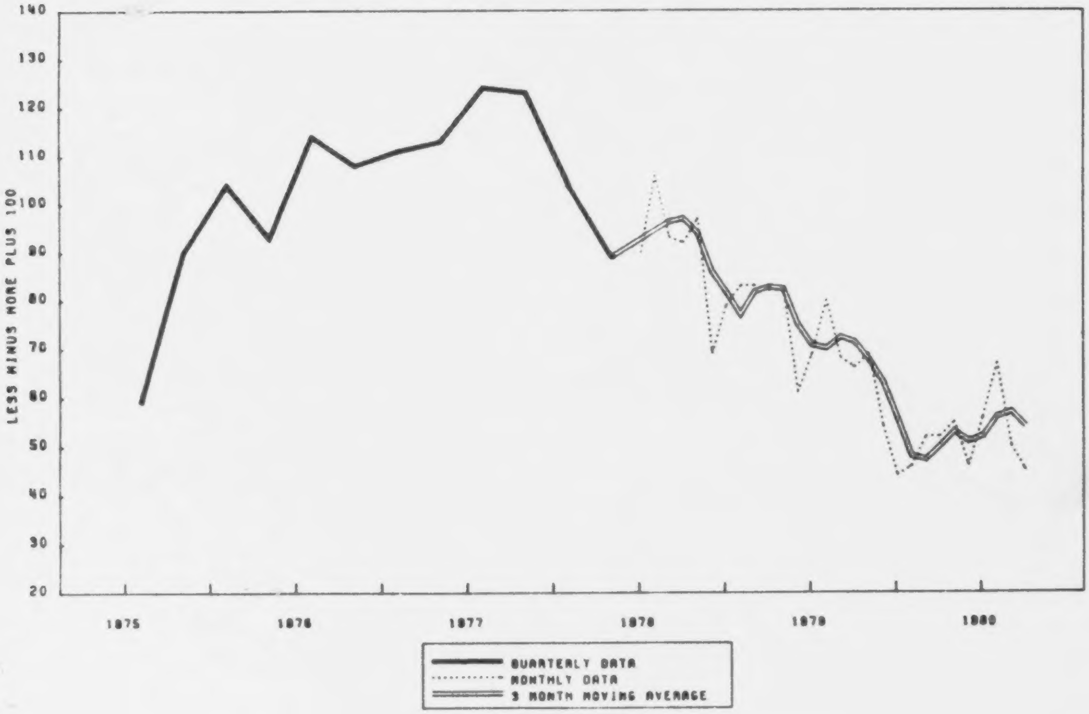

CHART 18 - HISTORICAL SERIES
EXPECTED CHANGE IN UNEMPLOYMENT

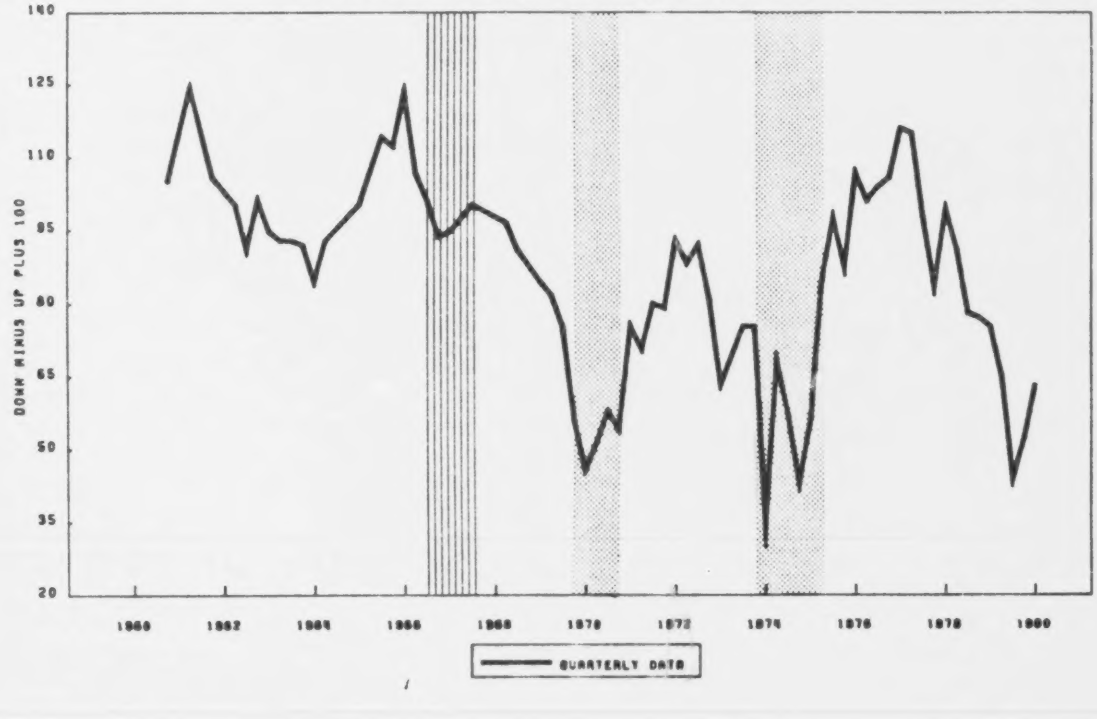

TABLE 18

EXPECTED CHANGE IN UNEMPLOYMENT

	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980	FEB. 1980	MAR. 1980	APR. 1980
LESS	11%	9%	6%	6%	7%	7%	7%	9%	7%	9%	13%	7%	7%
SAME	41	46	39	31	30	36	36	35	30	34	38	35	29
MORE	45	40	52	62	61	55	55	54	61	54	46	57	62
DK, NA	3	5	3	1	2	2	2	2	2	3	3	1	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: " HOW ABOUT PEOPLE OUT OF WORK DURING THE COMING 12 MONTHS -- DO YOU THINK THAT THERE WILL BE MORE UNEMPLOYMENT THAN NOW, ABOUT THE SAME, OR LESS?"

CHART 18 - RECENT CHANGES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

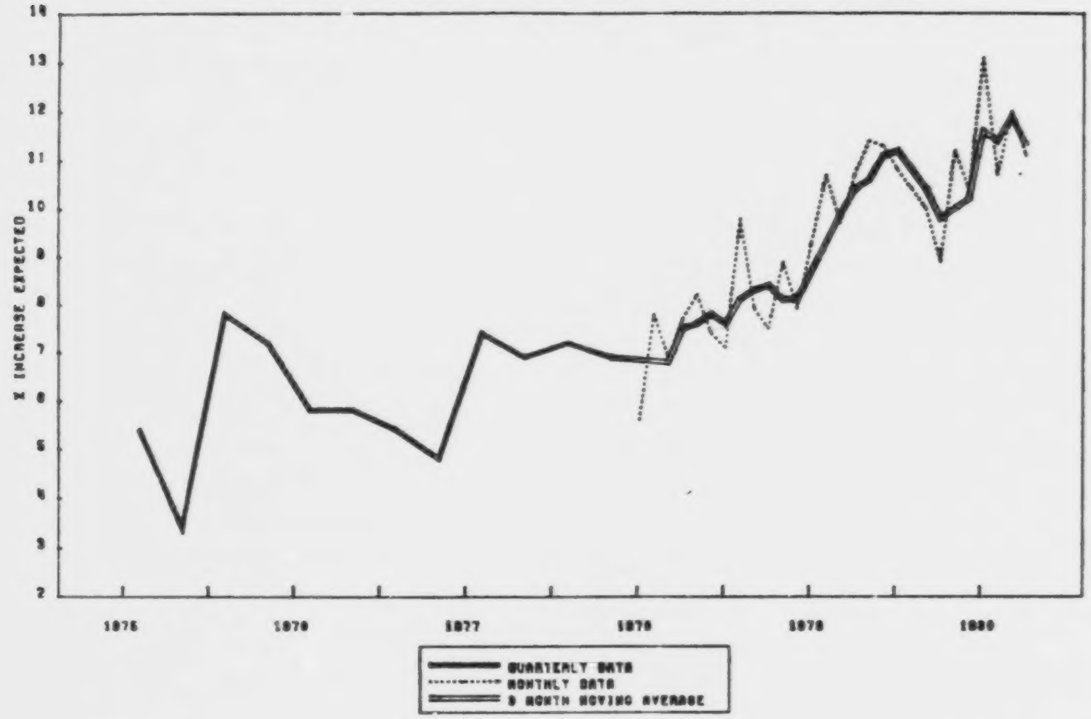

CHART 19 - HISTORICAL SERIES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

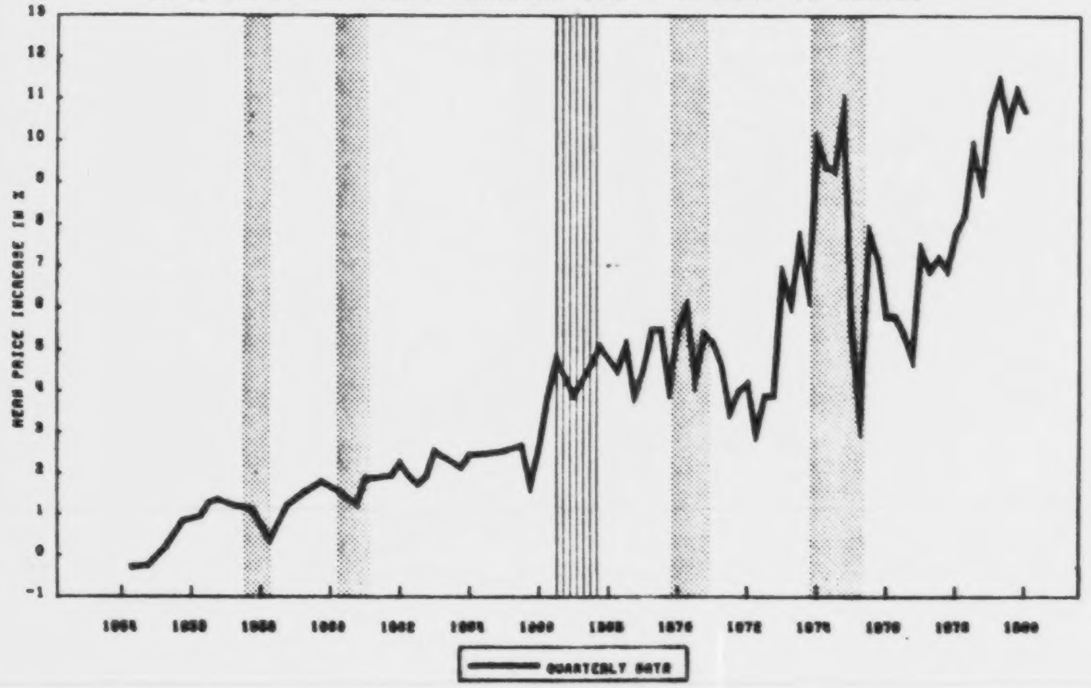

TABLE 19

EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980	FEB. 1980	MAR. 1980	APR. 1980
SAME OR DOWN	6%	8%	10%	12%	13%	12%	13%	12%	15%	9%	8%	13%	20%
1 - 2% UP	4	3	3	2	2	5	4	2	2	2	4	3	2
3 - 4% UP	6	6	6	5	6	5	6	5	4	4	4	4	3
5% UP	11	10	8	10	9	8	10	7	7	7	11	8	7
6 - 9% UP	14	15	14	12	12	14	14	13	12	12	12	9	8
10% OR MORE	43	45	47	45	47	41	36	48	47	53	50	53	49
DK HOW MUCH UP	15	12	10	11	10	13	16	12	10	11	10	7	9
DK, NA	1	1	2	3	1	2	1	1	3	2	1	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	10.7	11.4	11.3	10.8	10.4	10.0	8.9	11.2	10.4	13.1	10.7	12.0	11.1

THE QUESTIONS WERE: "DURING THE NEXT 12 MONTHS, DO YOU THINK THAT PRICES IN GENERAL WILL GO UP, OR GO DOWN, OR STAY WHERE THEY ARE NOW?" (IF WILL GO UP) "BY ABOUT WHAT PERCENT DO YOU EXPECT PRICES TO GO UP, ON THE AVERAGE, DURING THE NEXT TWELVE MONTHS?"

TABLE 20

UNEMPLOYMENT OR INFLATION MORE SERIOUS

	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980	FEB. 1980	MAR. 1980	APR. 1980
UNEMPLOYMENT	21%	18%	23%	26%	27%	26%	25%	24%	28%	26%	24%	25%	26%
EQUALLY SERIOUS	5	9	8	10	9	7	8	8	10	7	7	8	14
INFLATION	71	68	67	62	63	65	65	65	60	64	68	65	59
DK, NA	3	5	2	2	1	2	2	3	2	3	1	2	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "WHICH OF THE TWO PROBLEMS -- UNEMPLOYMENT OR INFLATION -- DO YOU THINK WILL CAUSE THE MORE SERIOUS ECONOMIC HARDSHIP FOR PEOPLE DURING THE NEXT YEAR OR SO?"

CHART 21 - RECENT CHANGES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

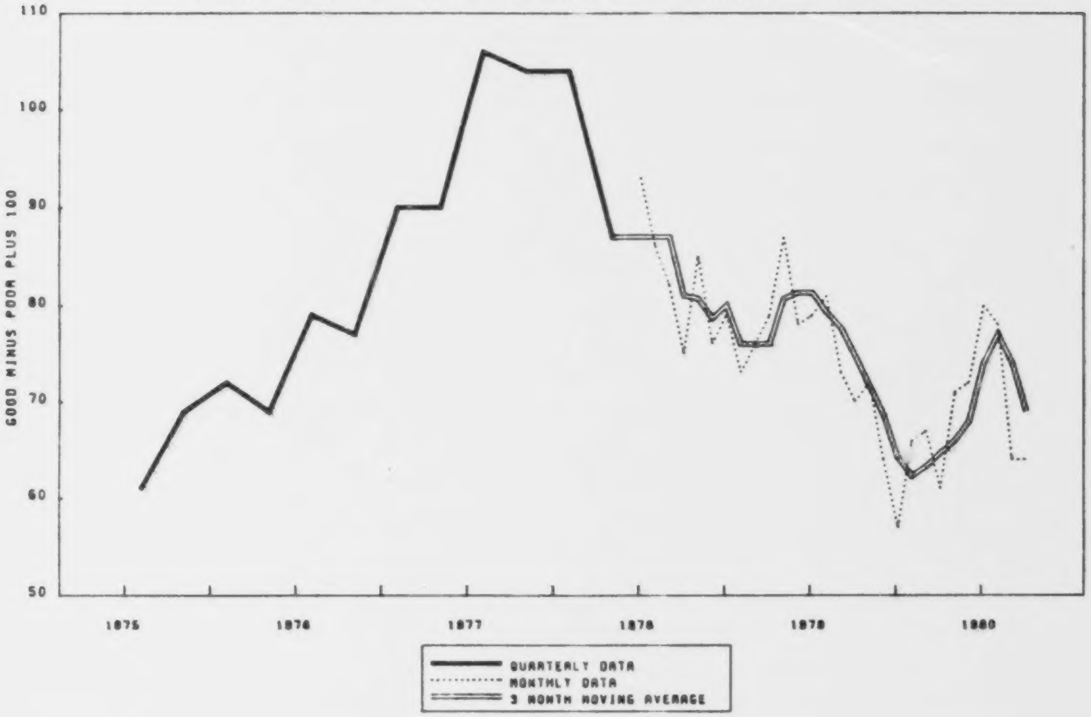

CHART 21 - HISTORICAL SERIES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

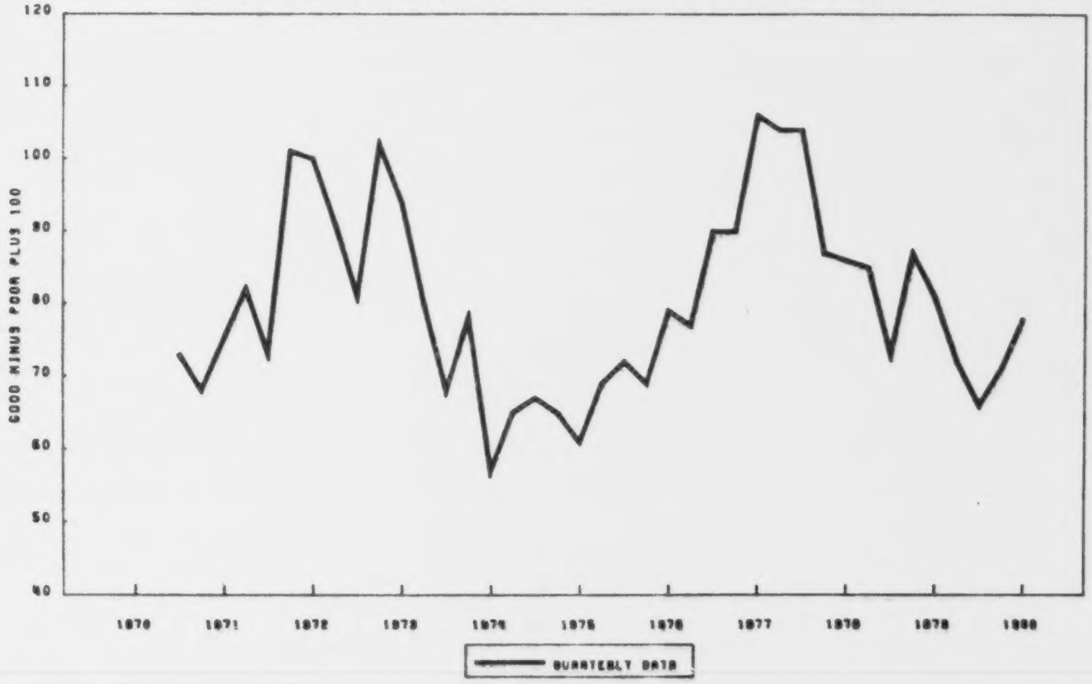

TABLE 21

OPINIONS ABOUT THE GOVERNMENT´S ECONOMIC POLICY

	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980	FEB. 1980	MAR. 1980	APR. 1980
A GOOD JOB	9%	10%	7%	5%	8%	7%	6%	10%	9%	11%	12%	7%	6%
ONLY FAIR	48	48	47	43	48	51	46	47	50	54	51	46	48
A POOR JOB	39	38	43	48	42	40	45	39	37	31	34	43	42
DK, NA	4	4	3	4	2	2	3	4	4	4	3	4	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "AS TO THE ECONOMIC POLICY OF THE GOVERNMENT -- I MEAN STEPS TAKEN TO FIGHT INFLATION OR UNEMPLOYMENT -- WOULD YOU SAY THE GOVERNMENT IS DOING A GOOD JOB, ONLY FAIR, OR A POOR JOB?"

CHART 22 - RECENT CHANGES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

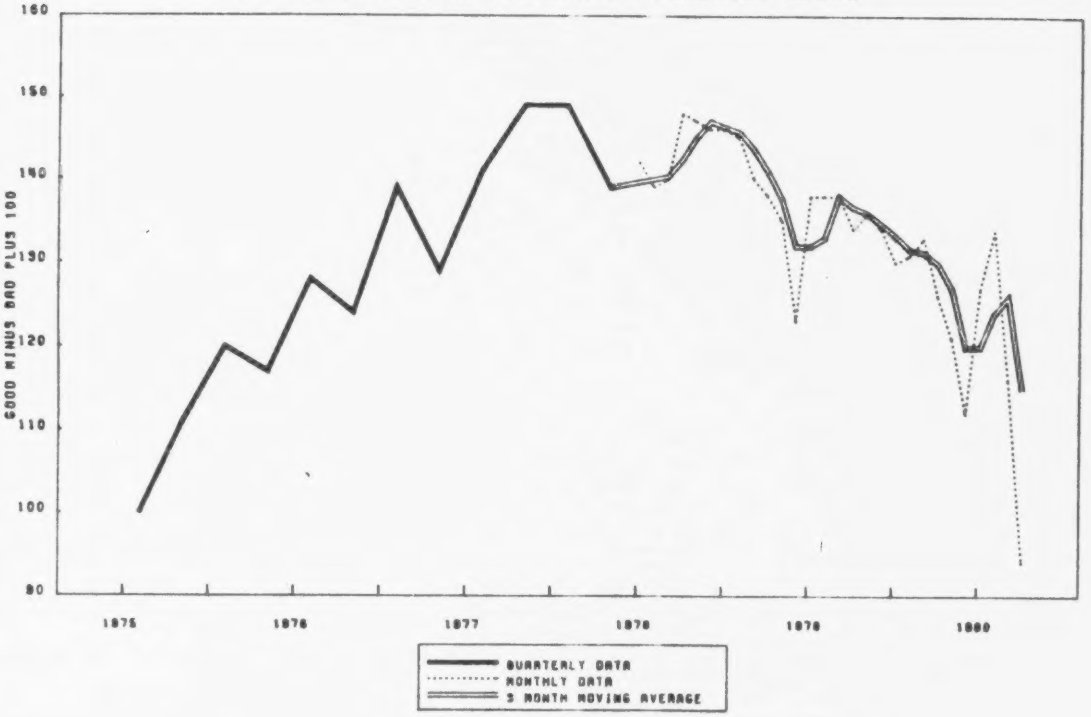

CHART 22 - HISTORICAL SERIES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

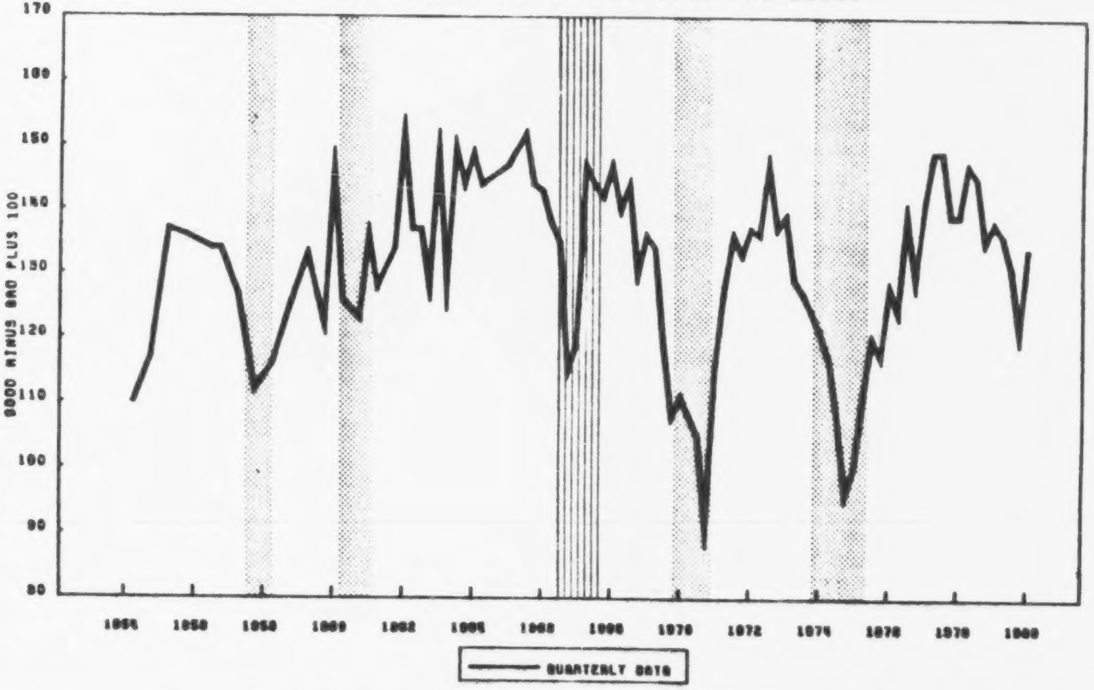

TABLE 22

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980	FEB. 1980	MAR. 1980	APR. 1980
GOOD TIME TO BUY	61%	62%	62%	60%	58%	62%	58%	54%	53%	60%	60%	54%	41%
UNCERTAIN, DEPENDS	12	12	10	10	15	9	10	13	6	7	14	8	12
BAD TIME TO BUY	27	26	28	30	27	29	32	33	41	33	26	38	47
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "ABOUT THE BIG THINGS PEOPLE BUY FOR THEIR HOUSE -- SUCH AS FURNITURE, A REFRIGERATOR, STOVE, AND THINGS LIKE THAT. GENERALLY SPEAKING, DO YOU THINK NOW IS A GOOD TIME OR A BAD TIME TO BUY MAJOR HOUSEHOLD ITEMS?"

TABLE 23

SELECTED REASONS FOR OPINIONS ABOUT CURRENT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980	FEB. 1980	MAR. 1980	APR. 1980
GOOD TIME TO BUY:													
PRICES ARE LOW; GOOD BUYS AVAILABLE	6%	17%	10%	9%	19%	13%	8%	18%	12%	17%	23%	12%	9%
PRICES GOING HIGHER; WON'T COME DOWN	53	35	46	46	33	42	48	27	38	47	33	43	28
BAD TIME TO BUY:													
PRICES ARE HIGH; GOING UP	15	18	20	19	18	18	18	18	26	20	16	23	30
CREDIT; HIGH INTEREST RATES	4	3	6	7	4	8	8	10	12	9	9	16	25

* = LESS THAN HALF OF ONE PERCENT.

RESPONSES TO THE QUERY "WHY DO YOU SAY SO?" FOLLOWING THE QUESTION NOTED IN THE PREVIOUS TABLE.

CHART 24 - RECENT CHANGES
BUYING CONDITIONS FOR HOUSES

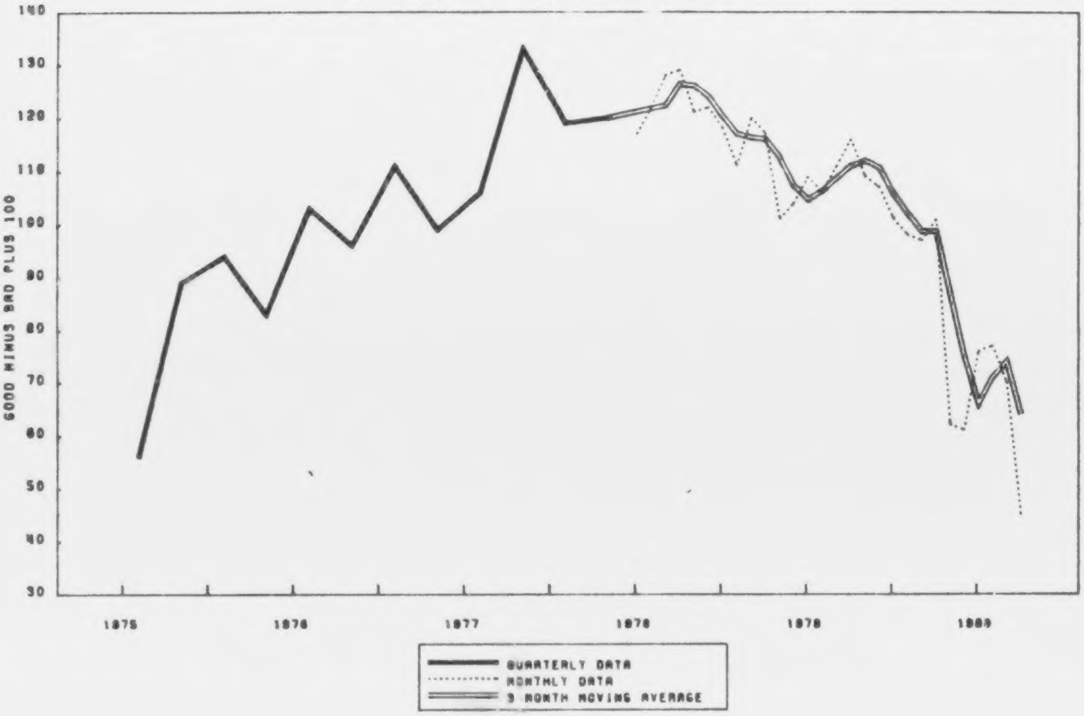

CHART 24 - HISTORICAL SERIES
BUYING CONDITIONS FOR HOUSES

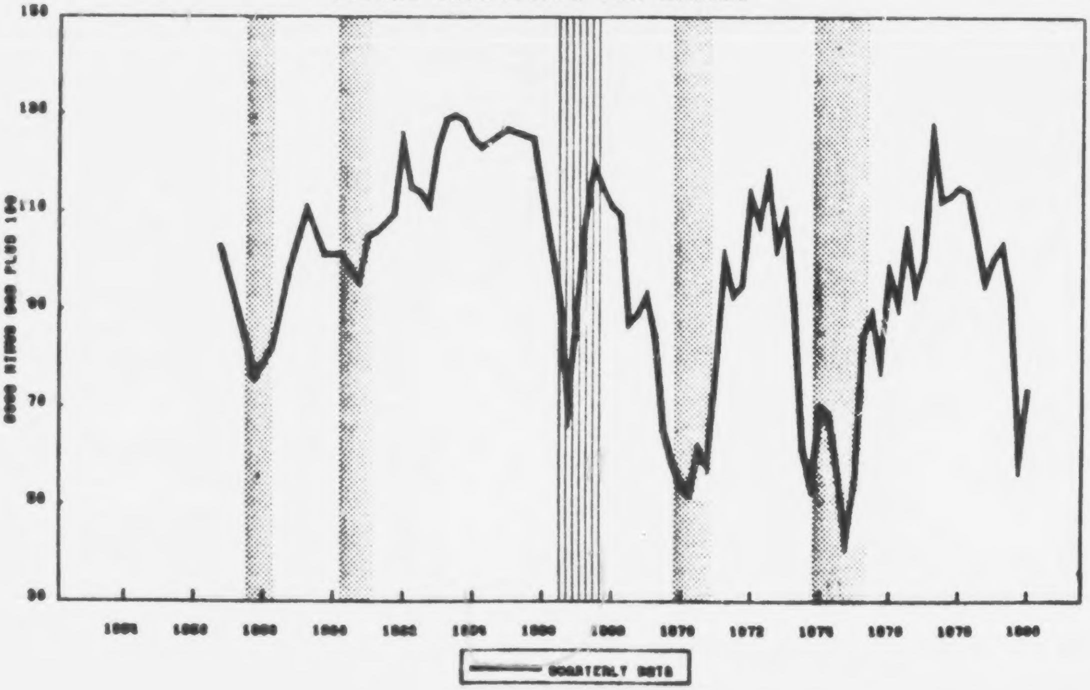

TABLE 24

BUYING CONDITIONS FOR HOUSES

	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980	FEB. 1980	MAR. 1980	APR. 1980
GOOD TIME TO BUY	54%	51%	50%	48%	46%	46%	48%	28%	27%	36%	36%	32%	19%
UNCERTAIN, DEPENDS	8	7	7	5	6	5	5	6	7	4	5	6	7
BAD TIME TO BUY	38	42	43	47	48	49	47	66	66	60	59	62	74
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "GENERALLY SPEAKING, DO YOU THINK NOW IS A GOOD TIME OR A BAD TIME TO BUY A HOUSE?"

CHART 26 - RECENT CHANGES
BUYING CONDITIONS FOR CARS

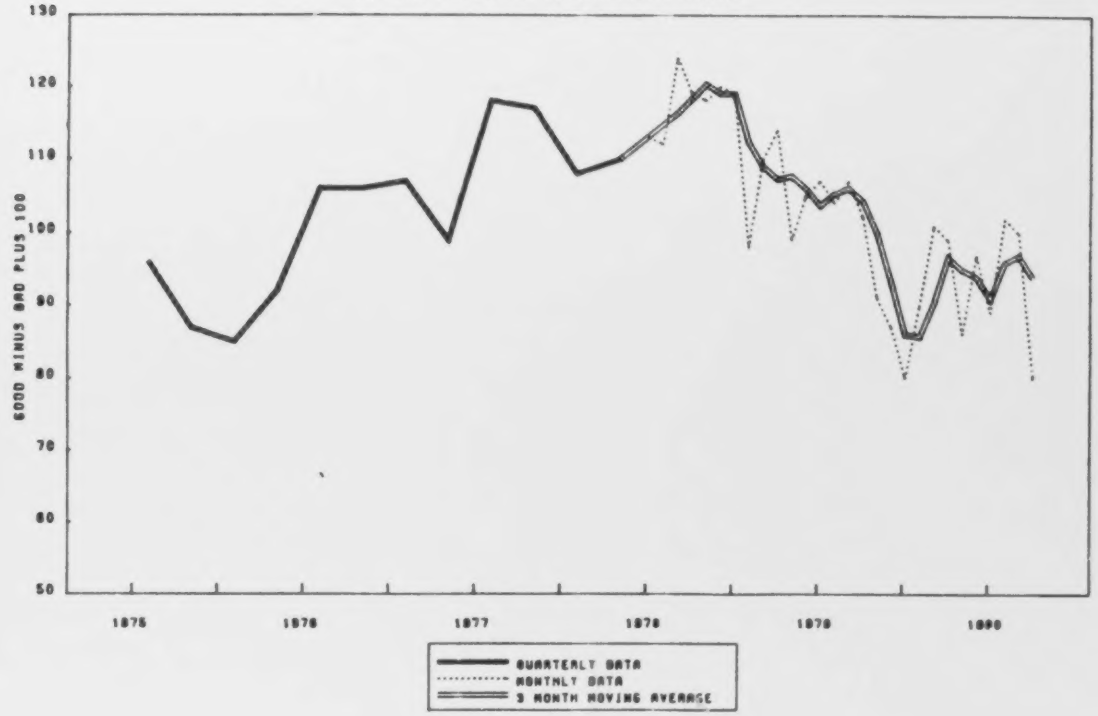

CHART 26 - HISTORICAL SERIES
BUYING CONDITIONS FOR CARS

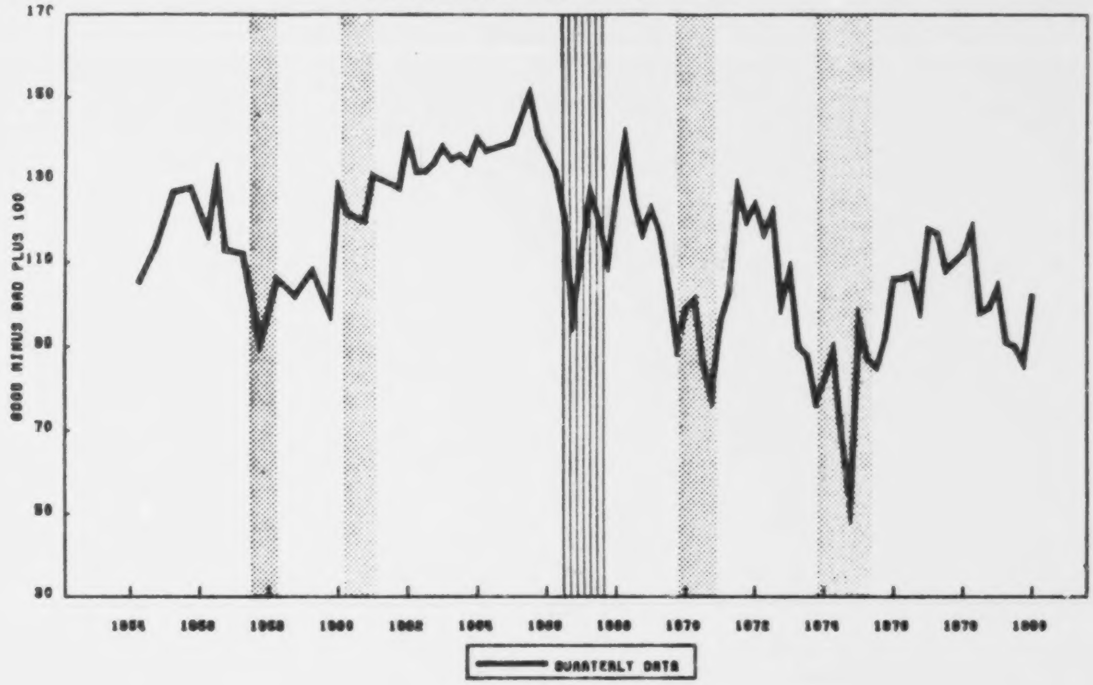

TABLE 26

BUYING CONDITIONS FOR CARS

	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980	FEB. 1980	MAR. 1980	APR. 1980
GOOD TIME TO BUY	45%	39%	37%	32%	38%	44%	45%	38%	44%	39%	47%	45%	35%
UNCERTAIN, DEPENDS	12	13	13	16	14	12	9	10	9	11	8	10	10
BAD TIME TO BUY	43	48	50	52	48	44	46	52	47	50	45	45	55
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "SPEAKING NOW OF THE AUTOMOBILE MARKET -- DO YOU THINK THE NEXT 12 MONTHS OR SO WILL BE A GOOD OR A BAD TIME TO BUY A CAR?"

TABLE 27

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

	APR. 1979	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980	FEB. 1980	MAR. 1980	APR. 1980
GOOD TIME TO BUY:													
PRICES ARE LOW; GOOD BUYS AVAILABLE	5%	6%	7%	13%	16%	18%	13%	13%	15%	12%	17%	14%	13%
PRICES GOING HIGHER; WON'T COME DOWN	30	22	21	17	14	21	23	16	21	22	19	22	10
NEW FUEL EFFICIENT MODELS	12	14	12	13	11	9	8	8	10	8	14	13	12
BAD TIME TO BUY:													
PRICES ARE HIGH; MAY FALL LATER	21	26	25	28	27	25	27	30	27	31	22	25	32
CREDIT; HIGH INTEREST RATES	5	6	3	4	7	6	8	18	16	13	14	17	24
ENERGY; FUEL SHORTAGE	19	22	26	24	18	14	13	10	12	19	13	16	16

* = LESS THAN HALF OF ONE PERCENT.

RESPONSES TO THE QUERY "WHY DO YOU SAY SO?" FOLLOWING THE QUESTION NOTED IN THE PREVIOUS TABLE.

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SURVEY RESEARCH CENTER
UNIVERSITY OF MICHIGAN

APRIL 1980 SURVEY

April 28, 1980

Surveys of Consumer Attitudes

Richard T. Curtin, *Director*

SHARP DECLINE IN BUYING ATTITUDES LEAVES SENTIMENT AT NEW RECORD LOW LEVELS

**In the April 1980 Survey, the Index of Consumer Sentiment was 52.8, down nearly 4 Index points from the 56.5 recorded in March 1980, and 13 points below the year ago reading. This represents the second consecutive month that the Index was below its prior record low of 58.0 recorded in 1974-75. The largest declines recorded in the April 1980 survey involved attitudes toward buying conditions for household durables, vehicles, and houses.

**Among families with incomes of $15,000 or more, the Index of Consumer Sentiment was 45.4, down significantly from the 51.3 recorded in March 1980, and 61.4 recorded in April 1979. As among all families, the April 1980 Index value among high-income families is below the prior record low recorded in the 1974-75 recession (53.6).

**Personal financial attitudes remained at record low levels, with one-in-four families who reported in April 1980 unusually large decreases in their savings during the past year.

**Short-term business expectations reached new record lows in the April 1980 survey. Among all families, just 11 percent in the April 1980 survey expected good times in the economy as a whole during the next 12 months, down from 14 percent in March, and 24 percent in April 1979. Bad times in the economy as a whole during the next 12 months were expected by 79 percent of all families in April 1980, up somewhat from the 76 percent recorded in March, and significantly above the 61 percent recorded in April 1979. Long-term business expectations remained near record low levels throughout the past year.

**The near majority neither expect mandatory wage and price controls during the next 12 months (49 percent), nor do they think controls would be helpful in reducing inflation (45 percent).

**Attitudes toward buying conditions posted significant declines in the April 1980 survey. Among all families, favorable buying attitudes toward durables declined to 41 percent in April from 54 percent in March, favorable car-buying attitudes declined to 35 percent in April from 45 percent in March, and favorable attitudes toward the housing market declined to just 19 percent in April from 32 percent in March, 1980. Tight credit conditions and high interest rates accounted for the decline in all three markets.

* * *

In terms of the familiar adage that demand depends on both ability and willingness, consumers may be aptly described as both unable and unwilling to make large discretionary purchases. The recent acceleration in inflation placed added strains on family budgets already burdened with high levels of debt and low savings, and will continue to force consumers to make spending cutbacks.

New Record Lows

The March and April 1980 surveys have documented the most pessimistic consumer attitudes and expectations recorded in more than a quarter-century. The April 1980 Index figure of 52.8, after falling 14 points during the past two months, is now 5 points below the prior record low recorded in 1974-75. In the early stages of the current decline, heightened fears of inflation sharply depressed favorable expectations, but buy-in-advance price rationales blunted the impact of inflation on favorable buying attitudes. Even in the March 1980 survey, when personal and business expectations were already at record lows, buying attitudes toward durables remained 20 Index-points above prior lows. The steep decline in buying attitudes recorded in the April 1980 survey indicates a new record low has been established in buying attitudes as well (see Table A below). During the past year, buy-in-advance rationales have been offset and replaced by concern with tight credit conditions and high interest rates. Buy-in-advance rationales weakened, and concern with credit conditions rose, first in the housing market in early 1979, followed by the auto market, and, in the past month, with regard to the household durable goods market.

TABLE A

		Index Components[a]				
		Current		Expected		
	Index	Personal Finances	Buying Conditions	Personal Finances	12-Month Business	5-Year Business
October 1974-February 1975 Low	58.0	81	96	99	45	47
March 1980 Survey	56.5	76	116	92	38	41
Difference from 1974-75 Low	-1.5	-5	+20	-7	-7	-6
April 1980 Survey	52.8	73	94	94	32	45
Difference from 1974-75 Low	-5.2	-8	-2	-5	-13	-2

---

[a] Table entries are the sample proportion giving favorable replies minus the proportion giving unfavorable responses, plus 100.

Personal Finances Remain at Record Lows

In April 1980, evaluations of personal finances remained largely unchanged at the new record low level first established in the March 1980 survey. The majority (51 percent) of all families reported in the April 1980 survey that their family's financial situation had worsened during the past year, somewhat above the record 48 percent recorded in March 1980. When asked to explain why their financial situation had changed, significantly fewer respondents mentioned receiving income increases in April 1980 (23 percent) than in the April 1979 survey (33 percent). Throughout the past year, more than four in ten respondents spontaneously mentioned higher prices as having made them worse-off (45 percent in April 1980).

Families more frequently expected their financial situation to worsen rather than to improve in the year ahead by a margin of 31 to 25 percent in the April 1980 survey. After posting some improvement in late 1979, the April 1980 survey indicates that personal financial expectations have returned to the record low levels first established in April 1979.

When asked in April 1980 whether they had put more money in or taken more money out of their savings and reserve funds during the past year, the majority of households reported declines in savings (see Table B below). Respondents were

TABLE B

CHANGE IN SAVINGS AND RESERVE FUNDS

Change in Household Saving	April 1980
Put more money in	20%
Typical increase	13
Unusually large	7
Stayed the same	17%
Took more money out	52%
Typical decrease	28
Unusually large	24
Has no savings	11%
Don't know; not ascertained	*
Total	100%
Cases	719

---

*Less than 0.5 percent.

The questions asked were: "Considering all of your savings and reserve funds, overall, did you put more money in or take more money out in the last year?" (IF PUT MORE MONEY IN OR TOOK MORE MONEY OUT) "Was this an unusually large (increase/decrease) in savings or was it rather typical for you?"

also asked whether these changes were unusually large or typical for their households. Almost one-in-four respondents replied that the decline in their savings and reserve funds had been unusually large during the past year.

Bleak Business Outlook

Nine times as many unfavorable rather than favorable reports of developments in business conditions were heard and recalled by respondents in the April 1980 survey. This represents the most negative news mix recorded during the past several years. In the April survey, one-in-four respondents reported hearing of unfavorable changes in credit conditions. In addition, consumers more frequently reported hearing of plant closings and layoffs. Interestingly, somewhat fewer consumers reported hearing news of heightened inflation (17 percent) than reported hearing news of higher interest rates (24 percent) in the April survey.

Among all families, 80 percent reported that they felt current business conditions were worse than those of a year earlier in April 1980, up significantly from the 69 percent recorded in March, and 46 percent recorded in April 1979. Current business conditions were judged as having improved over those of a year earlier by just 10 percent of all respondents in April 1980, down from 15 percent in March, and 36 percent in April 1979. Moreover, just 14 percent of all respondents expected business conditions to improve during the year ahead in April 1980, while 46 percent expected business conditions to worsen during the next 12 months. Combined, fully 40 percent of all respondents reported that current business conditions were worse than a year ago and they expected business conditions to further worsen in the year ahead. In contrast, cumulative declines in business conditions were reported by just 23 percent in April 1979.

Interest Rate and Price Expectations Ease

Expectations of continued increases in interest rates fell off sharply in the April 1980 survey. Among all families, 56 percent expected interest rates to increase in April 1980, down significantly from 71 percent in March, while 24 percent expected interest rates to decline in the year ahead, up from 10 percent in March 1980. This decline in interest rate expectations is similar to the decline recorded immediately following the November 1979 monetary policy announcement.

Price expectations were also somewhat lower in the April 1980 survey than one month earlier. Among all families, 49 percent expected prices to go up by more than 10 percent during the next 12 months, down somewhat from the 53 percent recorded in March 1980. Overall, consumers expected prices to increase by 11.1% during the next year, down from 12.0% recorded in March 1980. Since 10.7% was first recorded a year ago in the April 1979 survey, price expectations have remained at record high levels.

Among all families, 62 percent expected unemployment to increase during the next 12 months, up from 57 percent in March 1980, and 45 percent in April 1979. Just 7 percent of all respondents in the April 1980 survey expected unemployment to decline during the next 12 months. When asked whether unemployment or inflation would cause more economic hardship for people during the next year, 59 percent singled out inflation in April 1980, down from 71 percent in April 1979. Although unemployment has been more frequently singled out as the most important problem (26 percent in April 1980 compared with 21 percent in April 1979), the view that inflation and unemployment represent equally as serious problems has increased from 5 to 14 percent during the past year. Consequently, overall concern with inflation as compared with unemployment has not shifted from one problem to the other as much as an increased concern with both economic problems.

Confidence in government economic policy to combat inflation and unemployment remained at low levels in the April 1980 survey. Among all families, 42 percent rated government economic policy as "poor", largely unchanged from the 43 percent recorded in March 1980, and 39 percent recorded in April 1979. Consequently, the improved confidence in government economic policy recorded in late 1979 has now been entirely reversed.

Wage and Price Controls

In the April 1980 survey respondents were asked whether they expected mandatory wage and price controls during the next 12 months. The near majority (49 percent) repoted that they did not expect wage and price controls, compared with 29 percent who expected mandatory controls (see Table C below). When asked why they did not expect mandatory controls, 15 percent of all respondents mentioned that controls didn't work in the past, another 15 percent felt controls were not popular among people and the government would be reluctant to impose controls in an election year, while 14 percent mentioned current administration policy against controls. Interestingly, those who expect wage and price controls have more favorable personal financial expectations, but less favorable business and market evaluations (see Table D).

TABLE C

WAGE AND PRICE CONTROLS

Expect Mandatory Wage and Price Controls in the Next 12 Months?	April 1980
Expect controls	29%
Do not expect controls	49
Don't know what to expect	13
Don't understand controls	8
Not ascertained	1
Total	100%
Cases	719

The questions asked were: "There has been talk lately of mandatory wage and price controls. Do you expect that we will have mandatory wage and price controls in the next 12 months?" (IF YES, NO, OR DON'T KNOW WHAT TO EXPECT OR DEPENDS) "Why do you say so?"

TABLE D

IMPACT OF CONTROLS ON ATTITUDES AND EXPECTATIONS

	Expect Controls	Do Not Expect Controls
Index of Consumer Sentiment	53.4	54.5
Personal Finances		
Past change	72	72
Expected change	112	88
Business Expectations		
12-Month	27	36
5-Year	44	54
Market Attitudes		
Durables	88	101
Vehicles	74	83
Houses	44	42

---

[a] Table entries are the sample proportion giving favorable replies minus the proportion giving unfavorable responses, plus 100.

During the past year, even as price increases sharply accelerated, consumer opinions of wage and price controls continued to remain on balance unfavorable. In April 1980, 45 percent of all families felt controls would not be helpful in reducing inflation, largely unchanged from the 43 percent recorded in April 1979 (see Table E). The increase in favorable attitudes toward controls (from 30 percent in April 1979 to 40 percent in April 1980) came mainly from declines in the proportion recorded as undecided.

TABLE E

CONSUMER OPINIONS OF WAGE AND PRICE CONTROLS

Are Controls Helpful in Reducing Inflation?	April 1979	July 1979	Aug. 1979	April 1980
Helpful	30%	30%	35%	40%
Pro-con	8	5	3	1
Not helpful	43	49	44	45
Don't know; not ascertained	19	16	18	14
Total	100%	100%	100%	100%
Cases	962	1173	1212	719

The question was: "Some people think that mandatory government wage and price controls help to reduce inflation; other people think that mandatory wage and price controls are not very helpful in reducing inflation. What do you think?"

Steep Declines in Favorable Buying Attitudes

Attitudes toward buying conditions for large household durable goods declined sharply in the April 1980 survey. Among all families, 41 percent rated buying conditions as favorable in April, down from 54 percent in March 1980 and 61 percent in April 1979. Unfavorable attitudes toward the durable goods market increased from 27 percent of all families in April 1979 to 47 percent in April 1980. Overall, the April 1980 reading represents a less favorable opinion of buying conditions for durables than recorded at any time during the 1974-75 recession.

This sharp decline in favorable buying attitudes has reflected the significant weakening of buy-in-advance price rationales (from 53 percent in

April 1979 to 28 percent in April 1980), and more frequent mentions of high prices leading to postponement (from 15 percent in April 1979 to 30 percent in April 1980). Importantly, mentions of tight credit and high interest rates were made by 25 percent of all respondents in April 1980, up from 16 percent in March and just 4 percent in April 1979.

Attitudes toward buying conditions for houses were significantly less favorable in April 1980. Among all families just 19 percent said buying conditions for houses were favorable, down from 32 percent in March 1980 and 54 percent in April 1979. Unfavorable attitudes toward the housing market were held by 74 percent of all families in April 1980, up from 62 percent in March, and nearly twice the 38 percent recorded in April 1979.

Attitudes toward buying conditions for cars deteriorated sharply in the April 1980 survey. Among all families, 55 percent rated buying conditions as unfavorable in April 1980, up from 45 percent in March, and 43 percent in April 1979. Favorable attitudes were held by 35 percent in April 1980, down from 45 percent in March and 45 percent in April 1979. This recent decline in favorable car buying attitudes can be attributed to tight credit and high interest rates, which were mentioned by 24 percent of all families in April 1980, up from 17 percent in March, and just 5 percent in April 1979. Buy-in-advance price rationales have nearly lost their entire appeal in the automobile market, as just 10 percent of all respondents in the April 1980 survey mentioned buy-in-advance rationale, down from 22 percent in March and 30 percent in April 1979. High prices are now more frequently given as the reason for postponement -- by 32 percent in April 1980, up from 25 percent in March, and 21 percent in April 1979.

* * *

The April 1980 survey included 719 interviews conducted between March 20 and April 20, 1980.

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SURVEYS OF CONSUMER ATTITUDES

TABLES AND CHARTS

MAY 1980

Survey Research Center
University of Michigan

Institute for Social Research

BEST AVAILABLE COPY

TABLES AND CHARTS

MAY 1980

THE MAY 1980 SURVEY IS THE 118TH IN A SERIES OF SURVEYS OF CONSUMER ATTITUDES CONDUCTED DURING THE LAST 30 YEARS. THE PURPOSE OF THESE SURVEYS IS TO MEASURE CHANGES IN CONSUMER ATTITUDES AND EXPECTATIONS, AND TO INCREASE UNDERSTANDING OF WHY THESE CHANGES OCCUR AND HOW THEY AFFECT CONSUMER DECISIONS TO MAKE DISCRETIONARY PURCHASES OR TO SAVE. THIS TYPE OF UNDERSTANDING IS AN ESSENTIAL INGREDIENT FOR FORECASTING CHANGES IN AGGREGATE CONSUMER BEHAVIOR.

TWO CHARTS ARE PRESENTED FOR EVERY QUESTION. ONE GIVES QUARTERLY RESULTS FROM 1955 TO THE LAST QUARTERLY OBSERVATION. A SECOND CHART SHOWS MONTHLY RESULTS SINCE JANUARY OF 1978, WHEN THIS SERIES WAS INSTITUTED, ALONG WITH A SIMPLE THREE MONTH MOVING AVERAGE PLOTTED ON THE LAST OF THE THREE MONTHS.

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CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

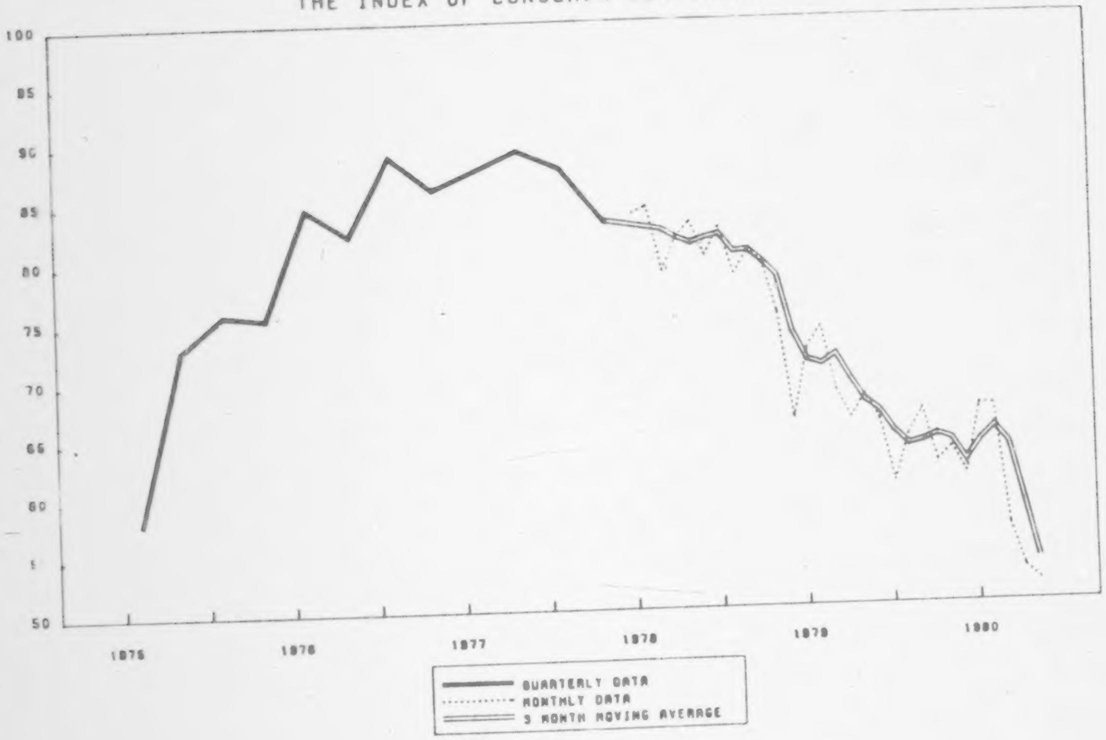

CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT

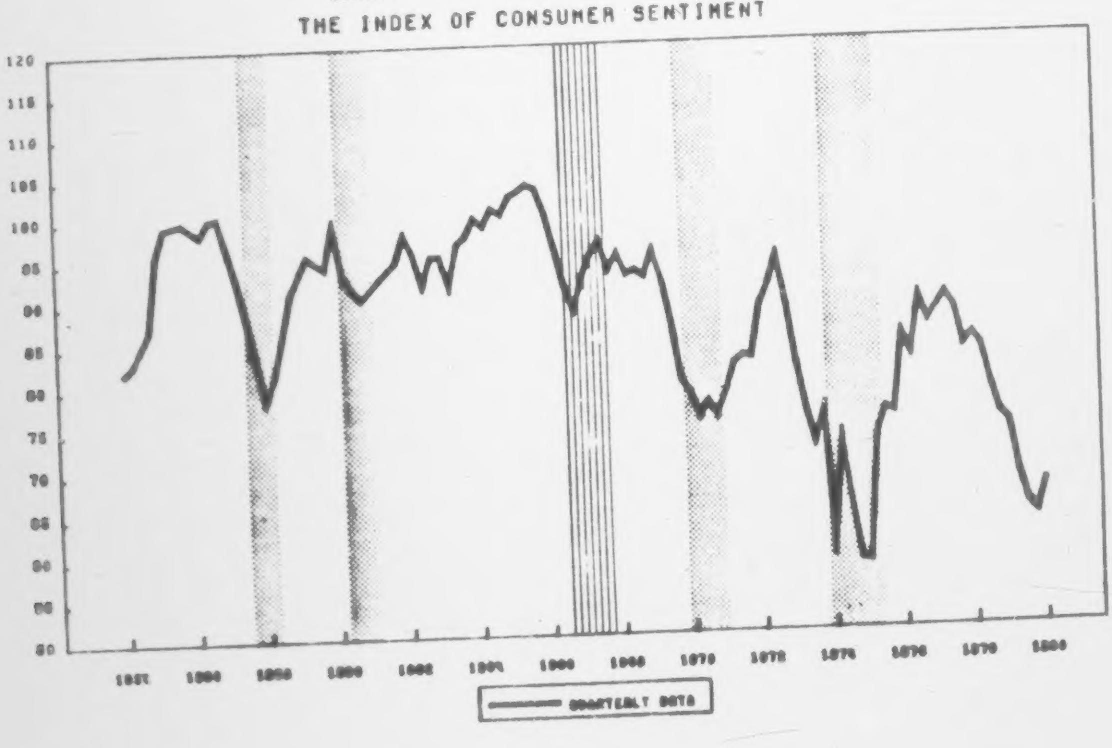

TABLE 1

THE INDEX OF CONSUMER SENTIMENT

DATE OF STUDY		ALL FAMILIES	INCOME $15,000+	INCOME $20,000+
MAY	1974	72.0	65.4	
AUG-SEPT.	1974	64.5	55.0	
OCTOBER	1974	58.4	55.4	
FEBRUARY	1975	58.0	53.6	
MAY	1975	72.9	66.2	
AUG-SEPT.	1975	75.8	71.1	
OCT-NOV.	1975	75.4	70.6	
FEBRUARY	1976	84.5	78.1	
MAY	1976	82.2	82.5	
AUG-SEPT.	1976	88.8	87.3	
NOV-DEC.	1976	86.0	80.9	
FEBRUARY	1977	87.5	87.3	
MAY	1977	89.1	84.0	
AUG-SEPT.	1977	87.6	85.3	
NOV-DEC.	1977	83.1	81.1	
JANUARY	1978	83.7	80.3	95.6
FEBRUARY	1978	84.3	83.2	98.0
MARCH	1978	78.8	74.3	87.5
APRIL	1978	81.6	80.4	94.5
MAY	1978	82.9	74.7	87.1
JUNE	1978	80.0	77.8	92.7
JULY	1978	82.4	79.6	91.7
AUGUST	1978	78.4	72.5	85.1
SEPTEMBER	1978	80.4	76.1	87.2
OCTOBER	1978	79.3	76.1	88.1
NOVEMBER	1978	75.0	67.7	81.0
DECEMBER	1978	66.1	61.2	73.8
JANUARY	1979	72.1	68.4	83.7
FEBRUARY	1979	73.9	70.9	84.3
MARCH	1979	68.4	65.2	75.3
APRIL	1979	66.0	61.4	73.7
MAY	1979	68.1	62.1	73.5
JUNE	1979	65.8	60.1	71.8
JULY	1979	60.4	55.7	67.2
AUGUST	1979	64.5	59.1	70.0
SEPTEMBER	1979	66.7	58.5	71.6
OCTOBER	1979	62.1	56.5	65.6
NOVEMBER	1979	63.3	57.2	68.3
DECEMBER	1979	61.0	51.6	66.2
JANUARY	1980	67.0	58.7	70.8
FEBRUARY	1980	66.9	60.2	70.8
MARCH	1980	56.5	51.3	62.3
APRIL	1980	52.8	45.4	52.5
MAY	1980	51.7	47.1	55.2

TABLE 3
COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT **

DATE		1*	2*	3*	4*	5*	CURRENT (1,5)	EXPECTED (2,3,4)
MAY	1976	100	118	120	76	124	87.5	78.9
AUG-SEPT.	1976	105	119	127	92	139	95.1	84.9
NOV-DEC.	1976	96	115	117	105	129	87.9	84.5
FEBRUARY	1977	99	121	115	97	141	93.6	84.5
MAY	1977	108	115	118	92	149	100.0	81.8
AUG-SEPT.	1977	107	116	115	86	149	99.7	79.8
NOV-DEC.	1977	107	107	104	84	139	95.9	74.5
JANUARY	1978	105	114	106	80	142	96.2	75.7
FEBRUARY	1978	106	109	108	89	139	95.4	77.1
MARCH	1978	100	107	91	77	140	93.2	69.5
APRIL	1978	104	112	98	71	148	97.9	71.1
MAY	1978	105	111	99	79	147	98.2	73.0
JUNE	1978	107	102	97	71	146	98.4	68.1
JULY	1978	108	111	105	69	146	98.7	71.9
AUGUST	1978	102	112	82	70	145	96.1	67.0
SEPTEMBER	1978	109	108	96	71	140	96.9	69.7
OCTOBER	1978	96	104	103	77	138	91.2	71.6
NOVEMBER	1978	106	105	74	67	135	94.1	62.8
DECEMBER	1978	95	97	61	53	123	85.2	53.7
JANUARY	1979	100	99	72	58	138	93.3	58.4
FEBRUARY	1979	99	98	75	71	138	92.2	62.2
MARCH	1979	96	99	57	53	138	91.2	53.7
APRIL	1979	85	90	63	56	134	85.9	53.3
MAY	1979	91	95	58	62	136	88.7	54.9
JUNE	1979	92	91	54	55	134	88.2	51.4
JULY	1979	89	92	39	40	130	85.7	44.2
AUGUST	1979	95	98	46	48	131	88.2	49.3
SEPTEMBER	1979	90	98	60	51	133	87.1	53.6
OCTOBER	1979	82	96	48	49	126	81.6	49.5
NOVEMBER	1979	86	97	52	54	120	80.9	52.0
DECEMBER	1979	81	99	52	50	112	75.7	51.5
JANUARY	1980	96	106	58	47	127	87.1	54.1
FEBRUARY	1980	85	99	55	60	134	85.5	54.9
MARCH	1980	76	92	38	41	116	77.3	44.3
APRIL	1980	73	94	32	45	94	65.8	44.4
MAY	1980	79	100	31	44	77	61.7	45.3

PERSONAL FINANCIAL ATTITUDES
1* BETTER OR WORSE OFF THAN A YEAR AGO
2* EXPECT TO BE BETTER OR WORSE OFF IN A YEAR
EXPECTED BUSINESS CONDITIONS
3* NEXT 12 MONTHS
4* NEXT 5 YEARS
MARKET CONDITIONS
5* BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

**PERCENT SAYING "GOOD TIMES" (OR "BETTER"), MINUS PERCENT SAYING "BAD TIMES" (OR "WORSE"), PLUS 100.

CHART 4 - RECENT CHANGES

CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

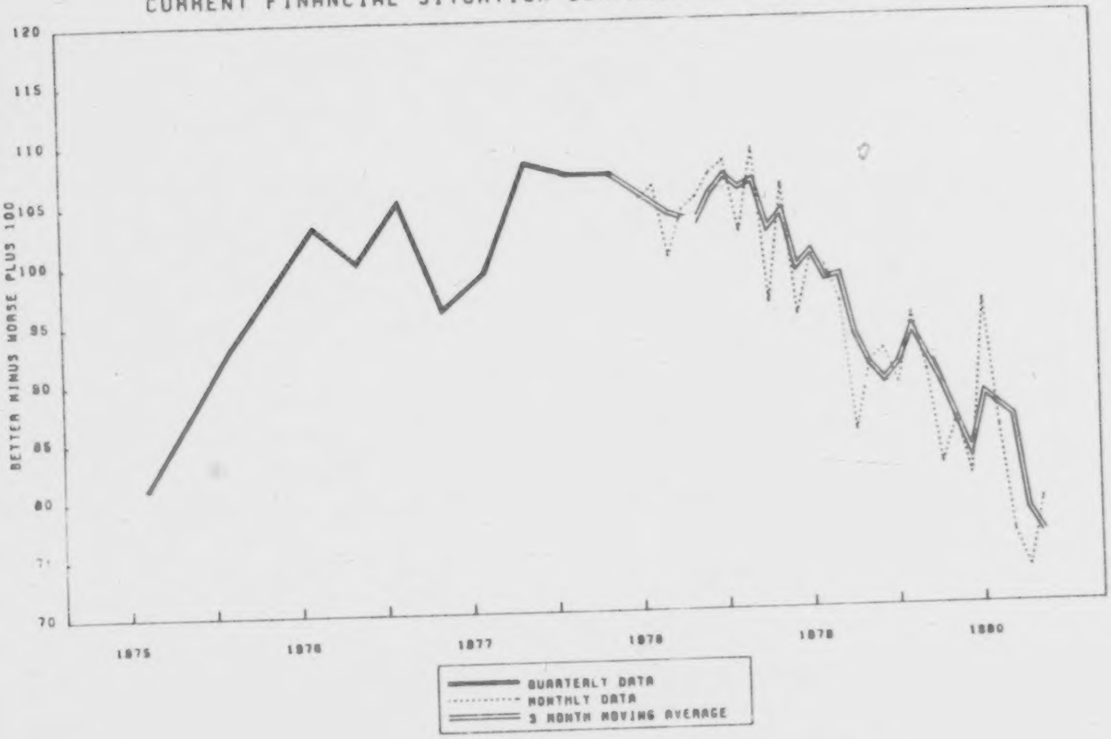

CHART 4 - HISTORICAL SERIES

CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

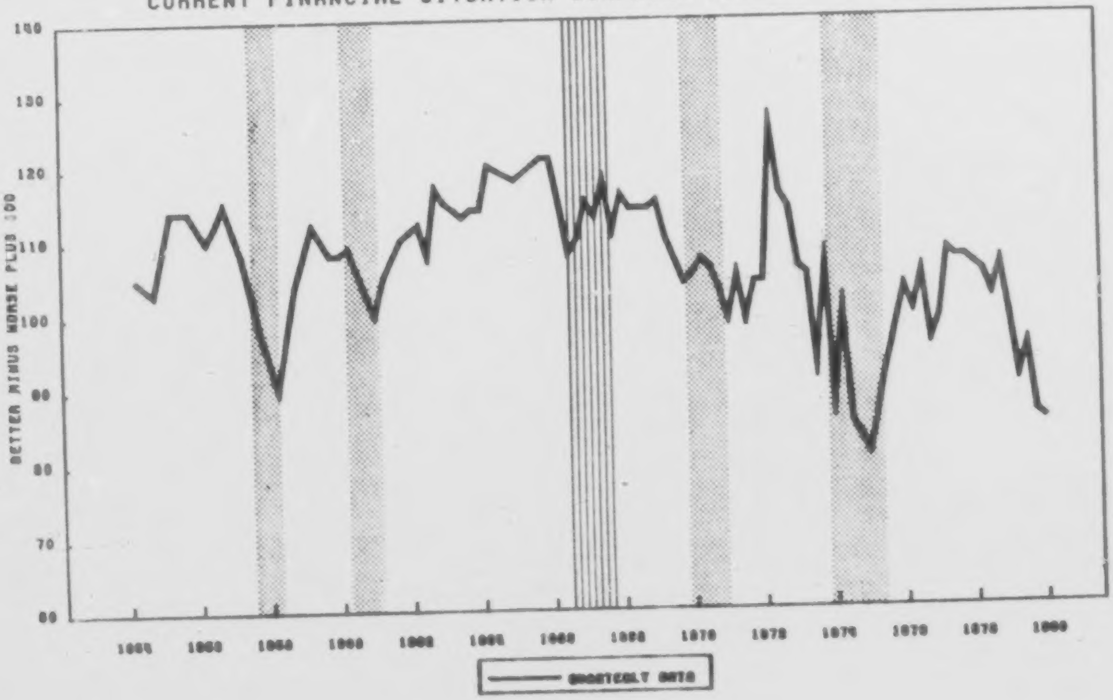

TABLE 4

CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980	FEB. 1980	MAR. 1980	APR. 1980	MAY 1980
BETTER OFF	31%	34%	31%	33%	31%	28%	30%	27%	34%	30%	24%	24%	26%
SAME	29	24	27	28	27	26	25	26	28	25	28	25	26
WORSE OFF	40	42	42	38	41	46	44	46	38	45	48	51	47
DK, NA	*	*	*	1	1	*	1	1	*	*	*	*	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

* = LESS THAN HALF OF ONE PERCENT.

THE QUESTION WAS: "WE ARE INTERESTED IN HOW PEOPLE ARE GETTING ALONG FINANCIALLY THESE DAYS. WOULD YOU SAY THAT YOU (AND YOUR FAMILY LIVING THERE) ARE BETTER OFF OR WORSE OFF FINANCIALLY THAN YOU WERE A YEAR AGO?"

CHART 5 - RECENT CHANGES

REASONS FOR FINANCIAL SITUATION COMPARED TO A YEAR AGO

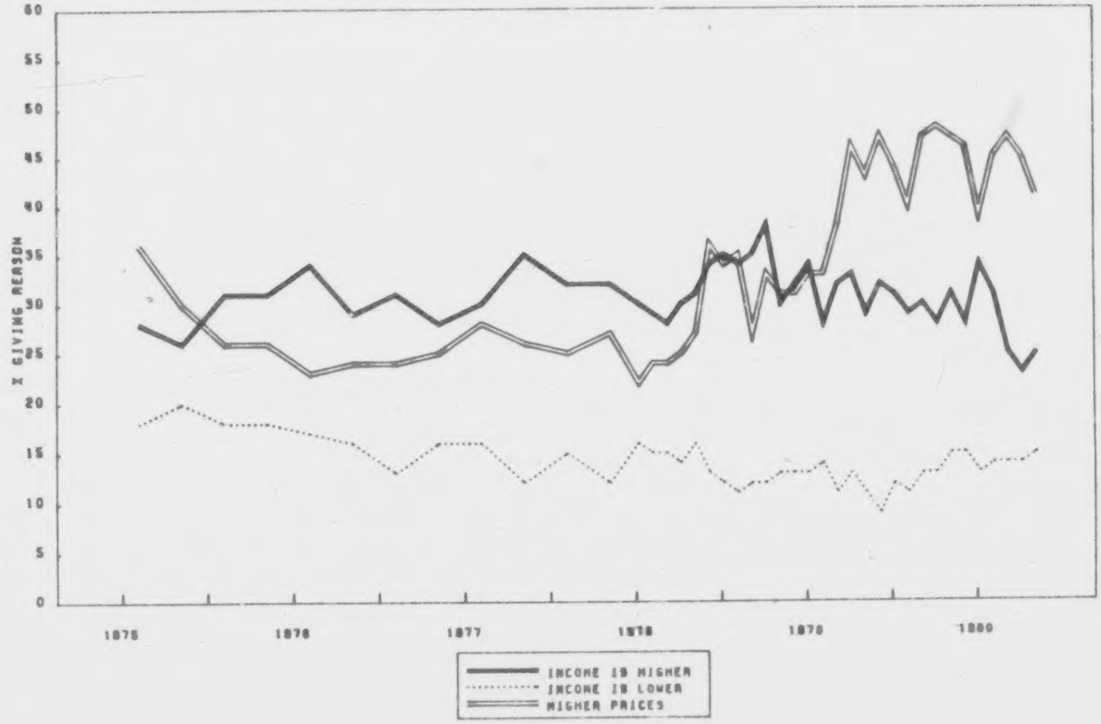

TABLE 5

SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION NOW COMPARED TO A YEAR AGO

	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980	FEB. 1980	MAR. 1980	APR. 1980	MAY 1980
BETTER OFF BECAUSE: INCOME IS HIGHER	29%	32%	31%	29%	30%	28%	31%	28%	34%	31%	25%	23%	25%
WORSE OFF BECAUSE: INCOME IS LOWER	11	9	12	11	13	13	15	15	13	14	14	14	15
HIGHER PRICES	43	47	44	40	47	48	47	46	39	45	47	45	41

RESPONSES TO THE QUERY "WHY DO YOU SAY SO?" FOLLOWING THE QUESTION NOTED IN THE PREVIOUS TABLE.

CHART 6 - RECENT CHANGES
EXPECTED CHANGE IN FINANCIAL SITUATION

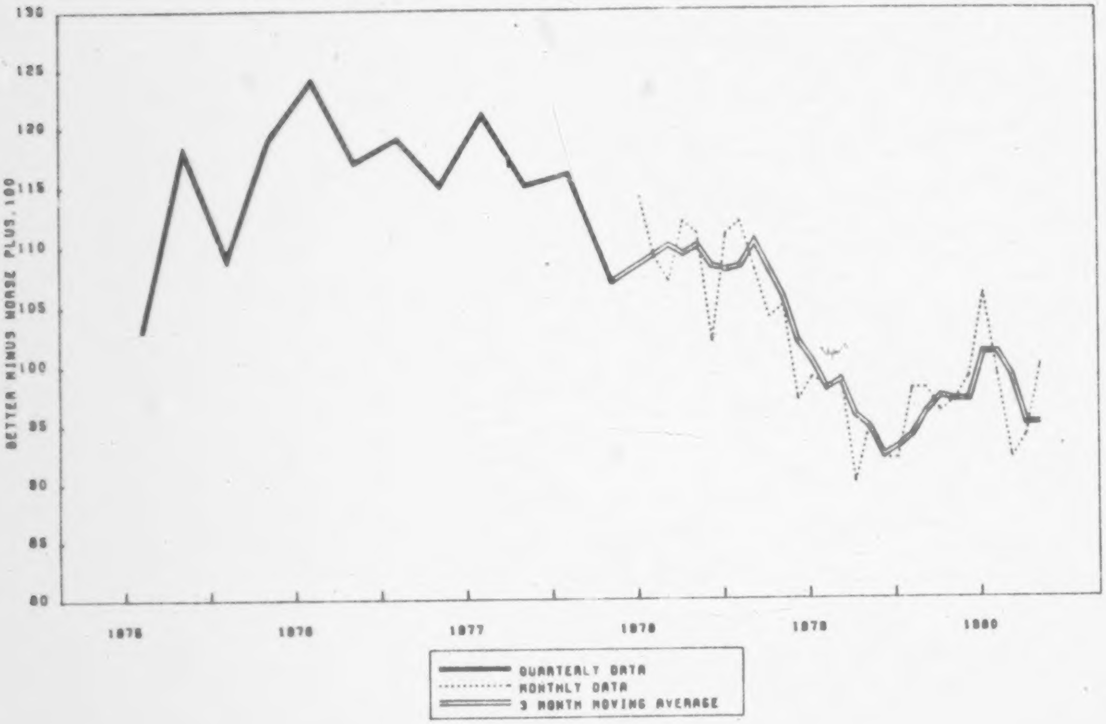

CHART 6 - HISTORICAL SERIES
EXPECTED CHANGE IN FINANCIAL SITUATION

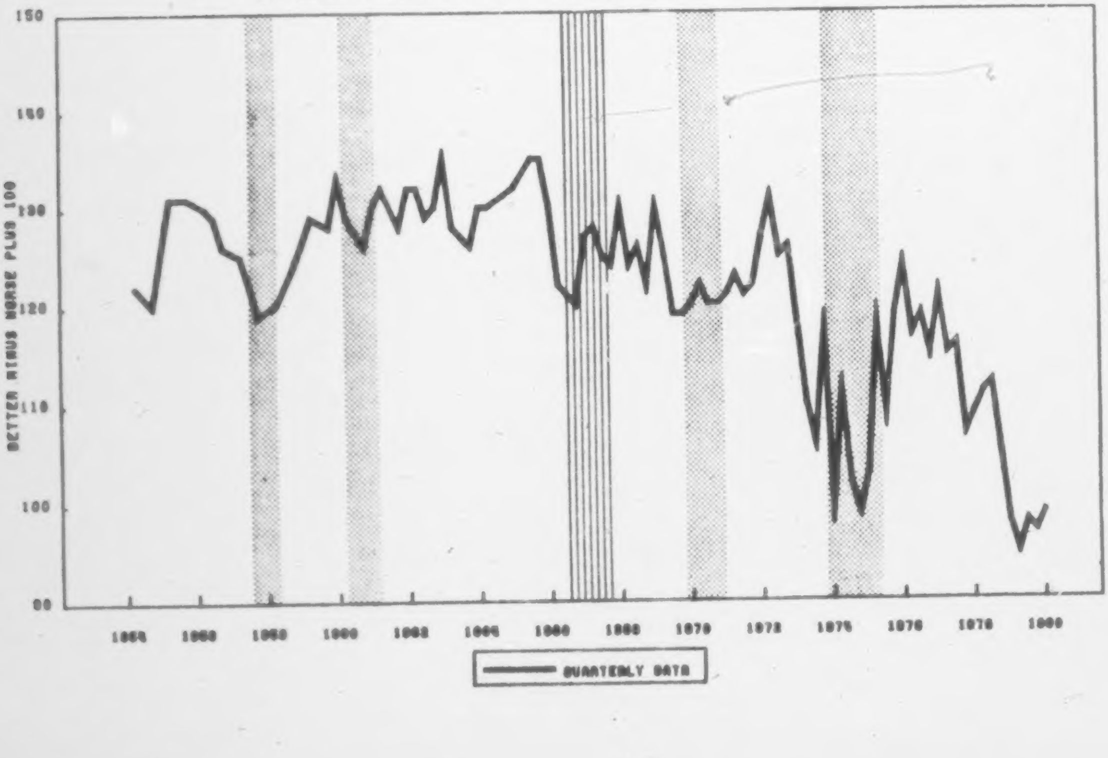

TABLE 6

EXPECTED CHANGE IN FINANCIAL SITUATION

	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980	FEB. 1980	MAR. 1980	APR. 1980	MAY 1980
BETTER OFF	21%	21%	20%	23%	24%	24%	21%	25%	28%	25%	20%	25%	27%
SAME	49	46	49	50	47	45	53	44	46	45	47	42	43
WORSE OFF	26	29	28	25	26	28	24	26	22	26	28	31	27
DK/NA	4	4	3	2	3	3	2	5	4	4	5	2	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "NOW LOOKING AHEAD - DO YOU THINK THAT A YEAR FROM NOW YOU (AND YOUR FAMILY LIVING THERE) WILL BE BETTER OFF FINANCIALLY, OR WORSE OFF, OR JUST ABOUT THE SAME AS NOW?"

CHART 7 - RECENT CHANGES
TREND IN PERSONAL FINANCIAL SITUATION

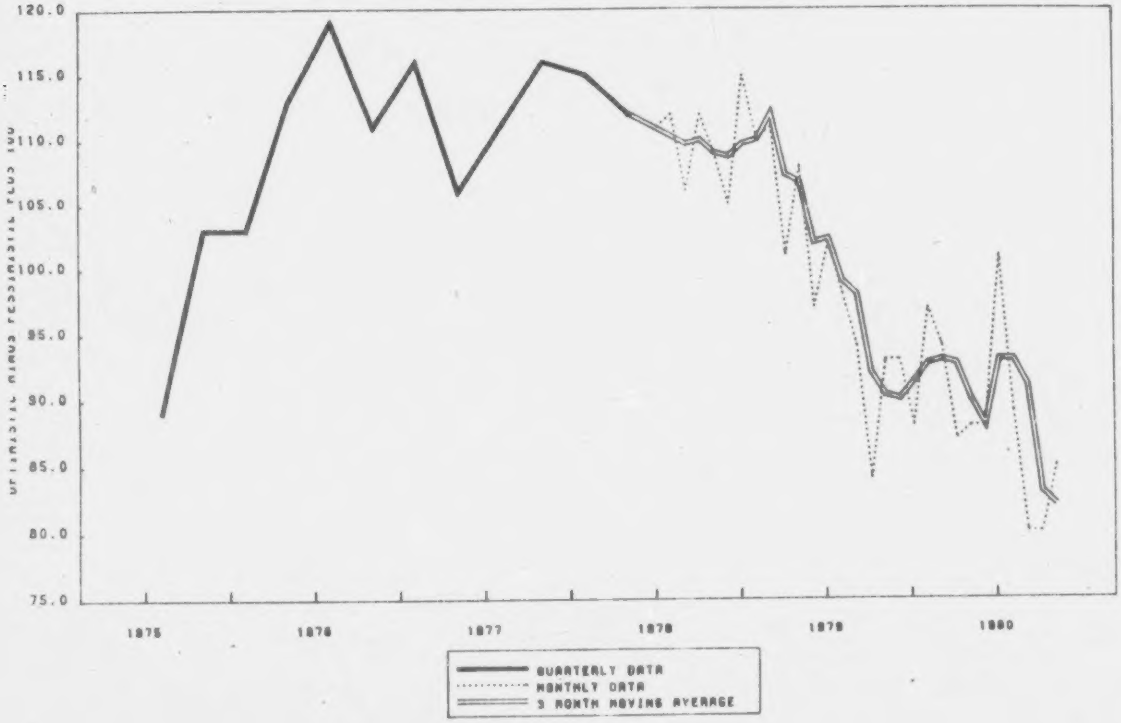

CHART 7 - HISTORICAL SERIES
TREND IN PERSONAL FINANCIAL SITUATION

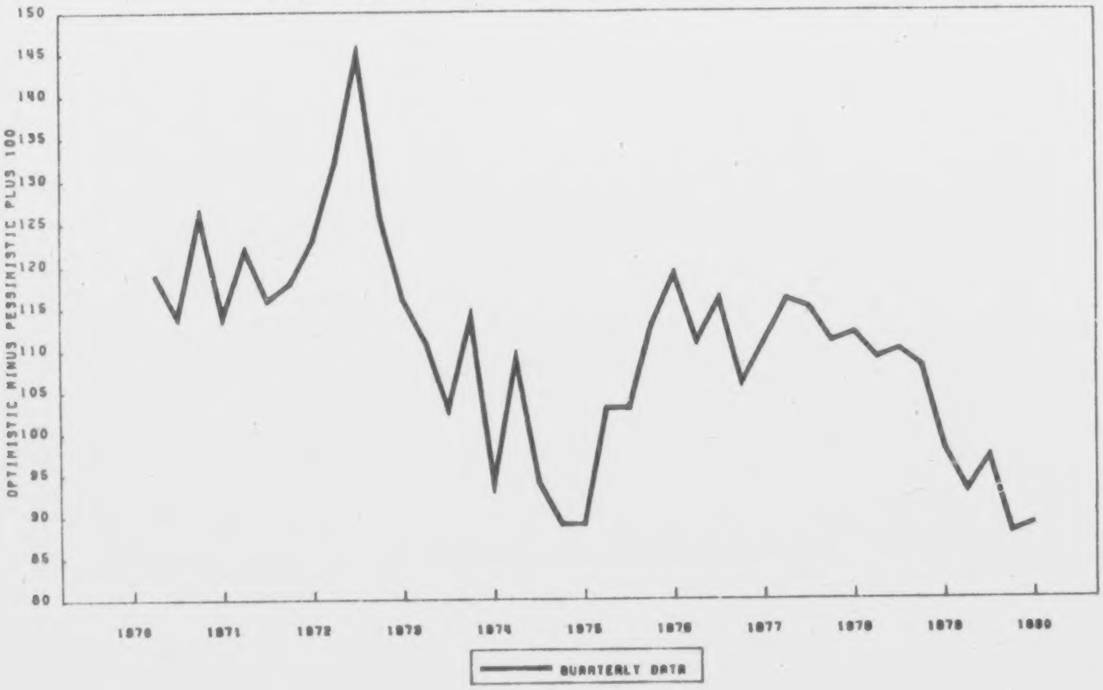

TABLE 7

TREND IN PERSONAL FINANCIAL SITUATION

	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980	FEB. 1980	MAR. 1980	APR. 1980	MAY 1980
B/B+	9%	11%	11%	13%	11%	11%	11%	12%	15%	13%	8%	8%	11%
B/S, S/B	21	22	19	21	20	18	19	17	21	19	16	16	17
S/S	17	13	16	17	16	14	16	14	16	12	15	14	12
W/S, S/W	21	21	24	22	21	23	26	23	20	25	27	23	27
W/W	17	19	18	15	16	19	16	18	13	18	17	21	16
W/B, B/W	10	10	8	9	13	12	10	12	11	10	12	16	14
DK, NA	5	4	4	3	3	3	2	4	4	3	5	2	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

KEY: B=BETTER, S=SAME, W=WORSE; DK=DON'T KNOW, NA=NOT ASCERTAINED,
+ = BETTER THAN A YEAR AGO/WILL BE BETTER A YEAR FROM NOW.

TABLE 10

EXPECT INCOME OR PRICES UP MORE NEXT YEAR

	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980	FEB. 1980	MAR. 1980	APR. 1980	MAY 1980
INCOME UP MORE	11%	9%	11%	12%	9%	9%	10%	10%	8%	14% ←?	8%	12%	12%
INCOME UP SAME	36	35	32	34	35	35	38	35	36	33	32	37	34
PRICES UP MORE	48	53	55	50	53	52	49	51	52	51	56	48	51
DK, NA	5	3	2	4	3	4	3	4	4	2	4	3	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "HOW ABOUT IN THE NEXT YEAR OR TWO -- DO YOU EXPECT YOUR (FAMILY) INCOME WILL GO UP MORE THAN PRICES WILL GO UP, ABOUT THE SAME, OR LESS THAN PRICES WILL GO UP?"

CHART 11 - RECENT CHANGES

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

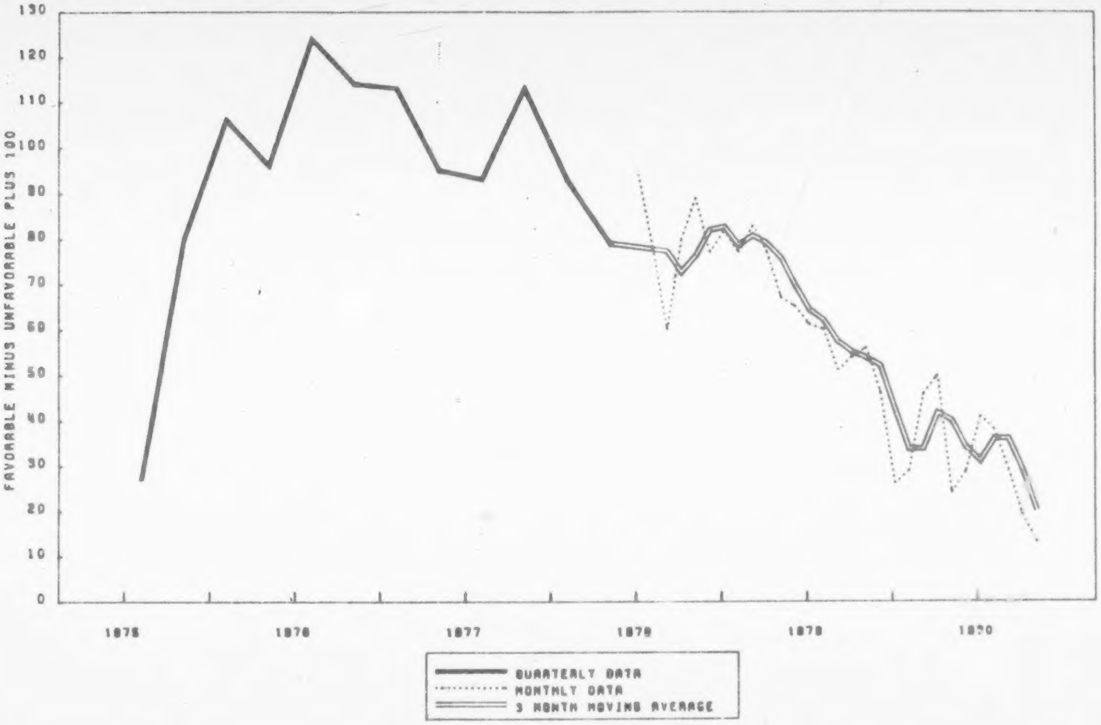

CHART 11 - HISTORICAL SERIES

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

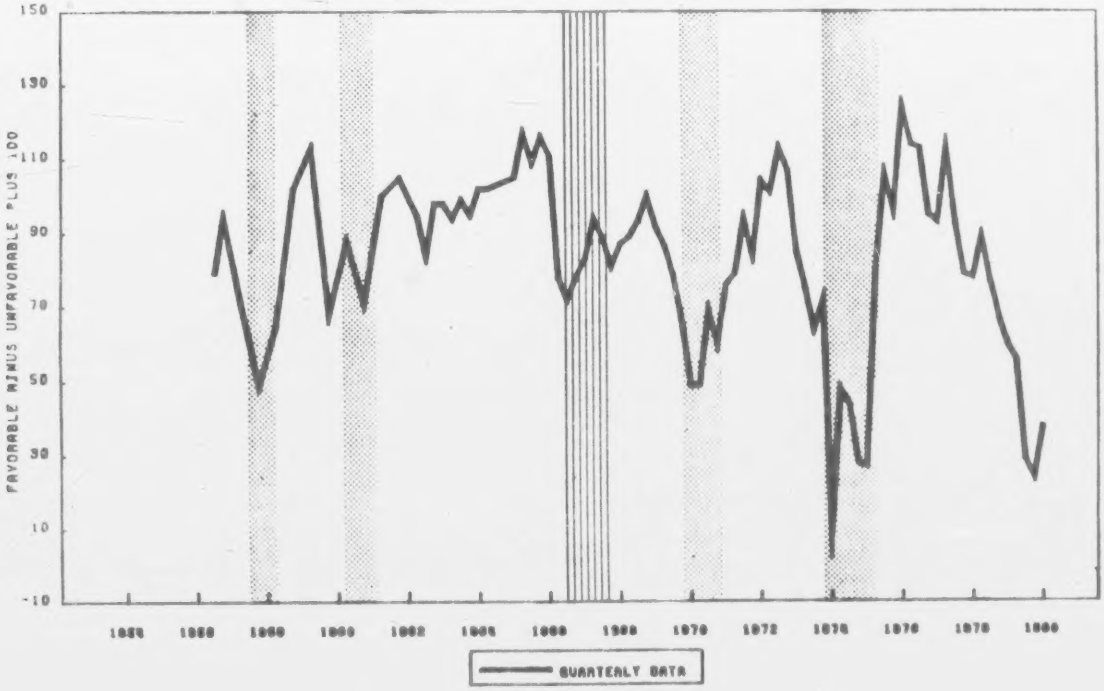

TABLE 11

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980	FEB. 1980	MAR. 1980	APR. 1980	MAY 1980
FAVORABLE NEWS	18%	13%	12%	15%	11%	13%	11%	10%	17%	14%	11%	10%	10%
UNFAVORABLE NEWS	62	67	86	86	65	63	87	81	76	76	82	91	97
NO MENTIONS	46	43	33	34	47	47	38	41	39	41	41	35	30

ADDS TO MORE THAN 100% DUE TO RESPONDENTS MENTIONING TWO CHANGES.

THE QUESTIONS WERE: "DURING THE LAST FEW MONTHS, HAVE YOU HEARD OF ANY FAVORABLE OR UNFAVORABLE CHANGES IN BUSINESS CONDITIONS? WHAT DID YOU HEAR?"

CHART 12 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

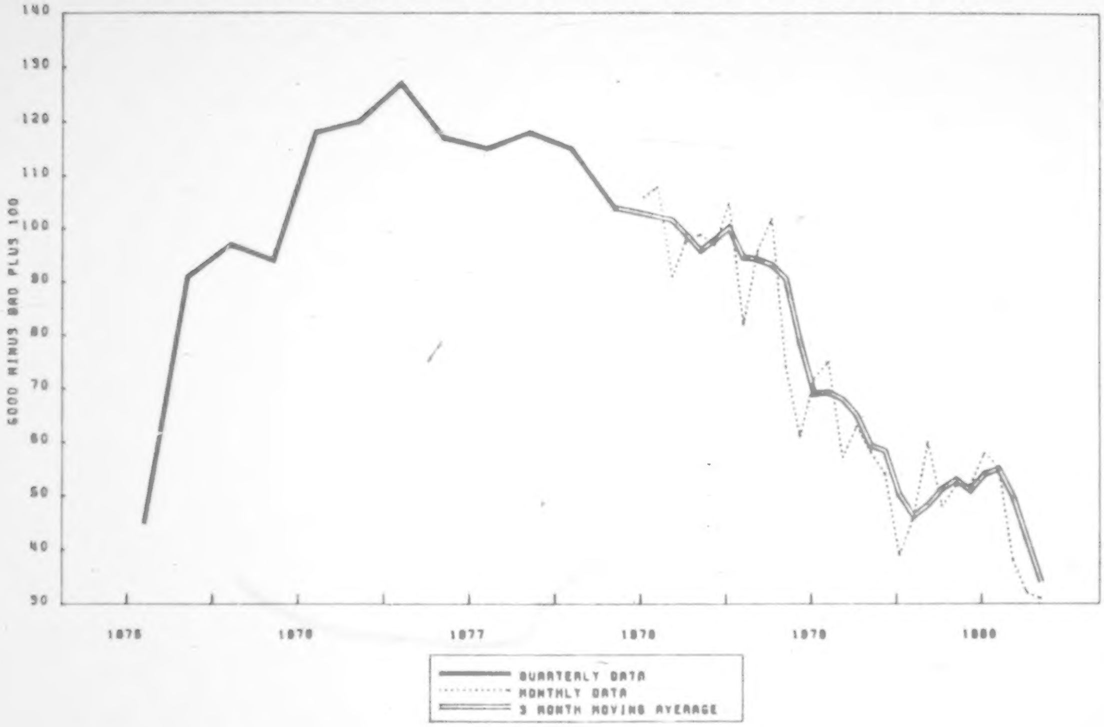

CHART 12 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

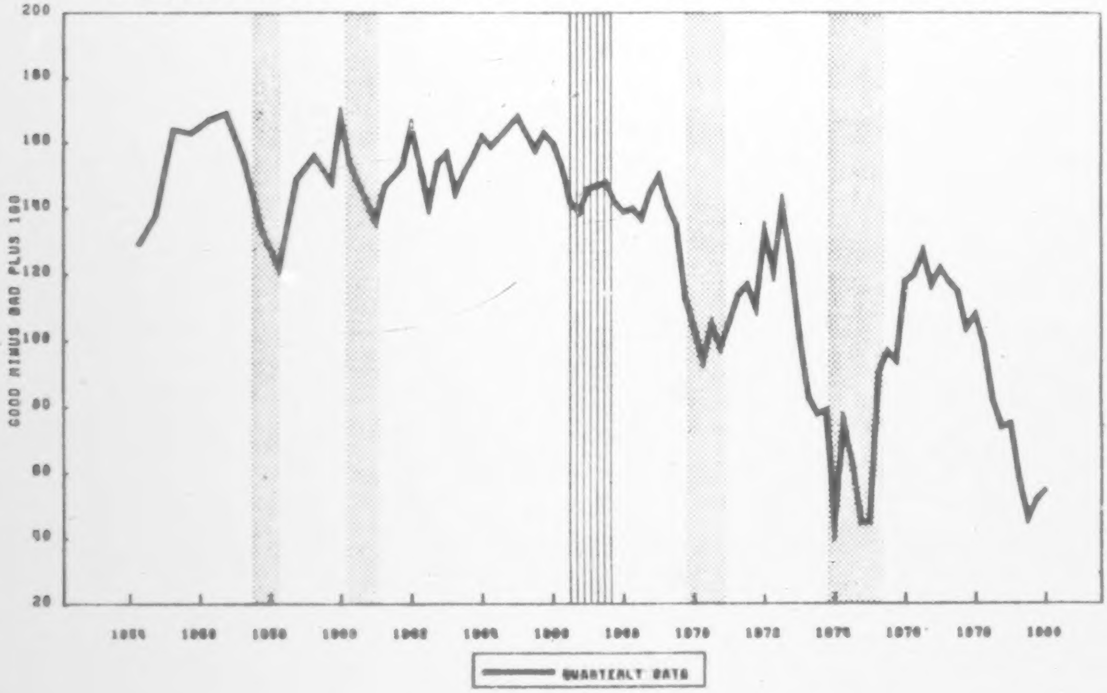

TABLE 12

BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980	FEB. 1980	MAR. 1980	APR. 1980	MAY 1980
GOOD TIMES	21%	20%	13%	17%	23%	18%	20%	20%	24%	22%	14%	11%	13%
GOOD IN SOME WAYS, BAD IN OTHERS	5	2	1	3	3	1	3	2	1	1	1	1	1
BAD TIMES	63	66	74	71	63	70	68	68	66	67	76	79	82
UNCERTAIN	4	5	4	5	5	5	4	4	4	5	4	4	3
NOT ASCERTAINED	7	7	8	4	6	6	5	6	5	5	5	5	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "NOW TURNING TO BUSINESS CONDITIONS IN THE COUNTRY AS A WHOLE -- DO YOU THINK THAT DURING THE NEXT 12 MONTHS WE´LL HAVE GOOD TIMES FINANCIALLY OR BAD TIMES, OR WHAT?

CHART 13 - RECENT CHANGES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

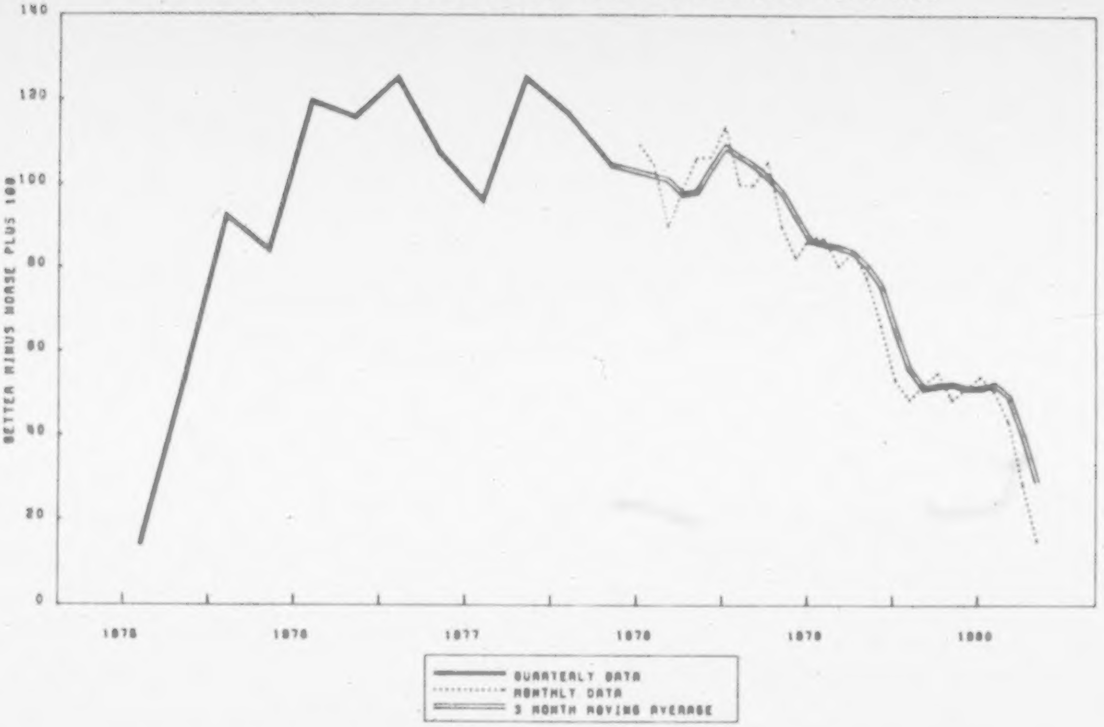

CHART 13 - HISTORICAL SERIES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

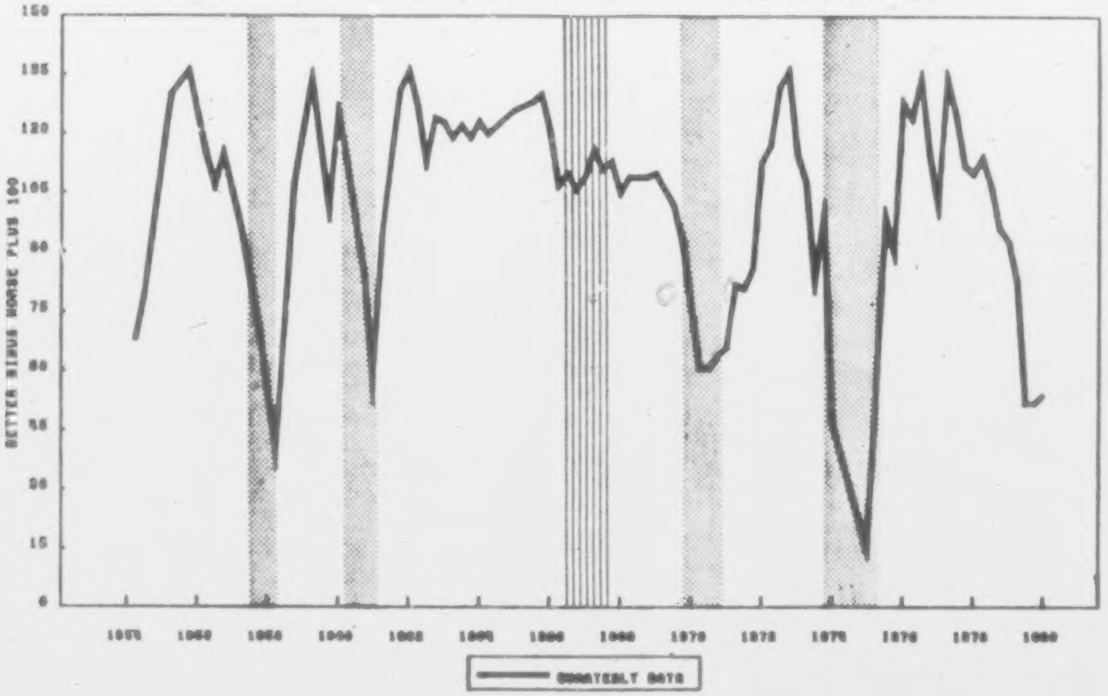

TABLE 13

CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980	FEB. 1980	MAR. 1980	APR. 1980	MAY 1980
BETTER NOW	33%	27%	22%	20%	22%	22%	19%	21%	21%	21%	15%	10%	6%
SAME	15	13	10	10	9	12	12	12	15	10	12	9	4
WORSE NOW	50	56	65	68	66	63	67	66	62	67	69	80	90
DK, NA	2	4	3	2	3	3	2	1	2	2	4	1	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "WOULD YOU SAY THAT AT THE PRESENT TIME BUSINESS CONDITIONS ARE BETTER OR WORSE THAN THEY WERE A YEAR AGO?"

CHART 14 - RECENT CHANGES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

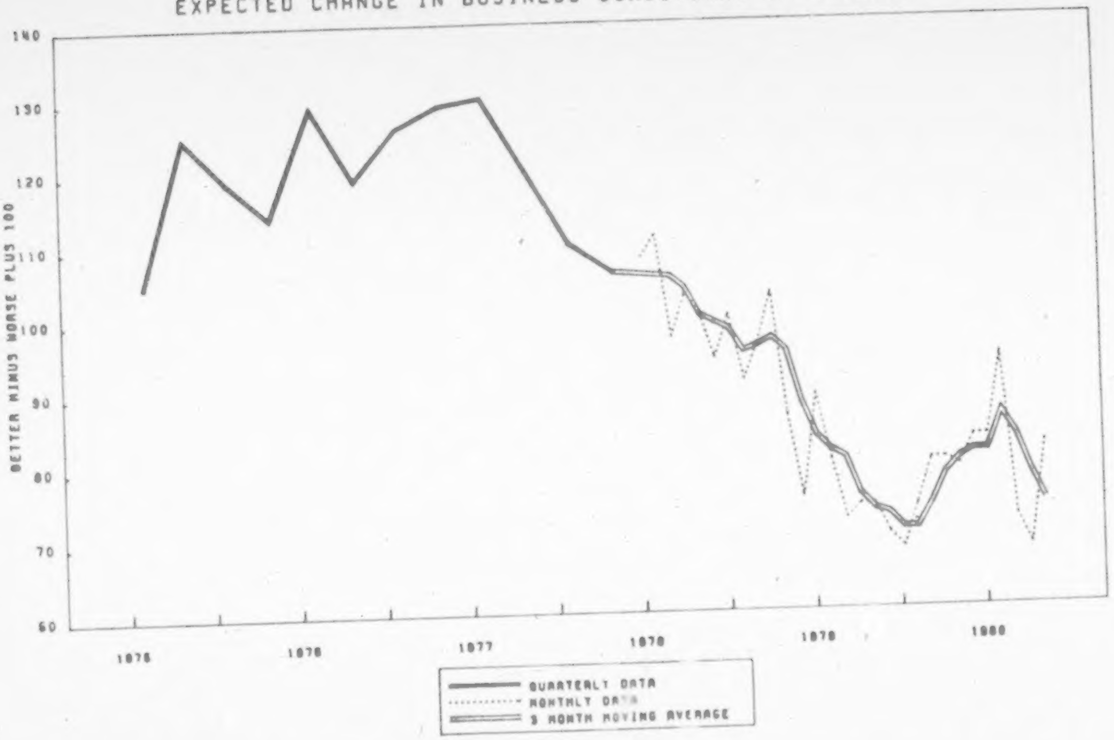

CHART 14 - HISTORICAL SERIES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

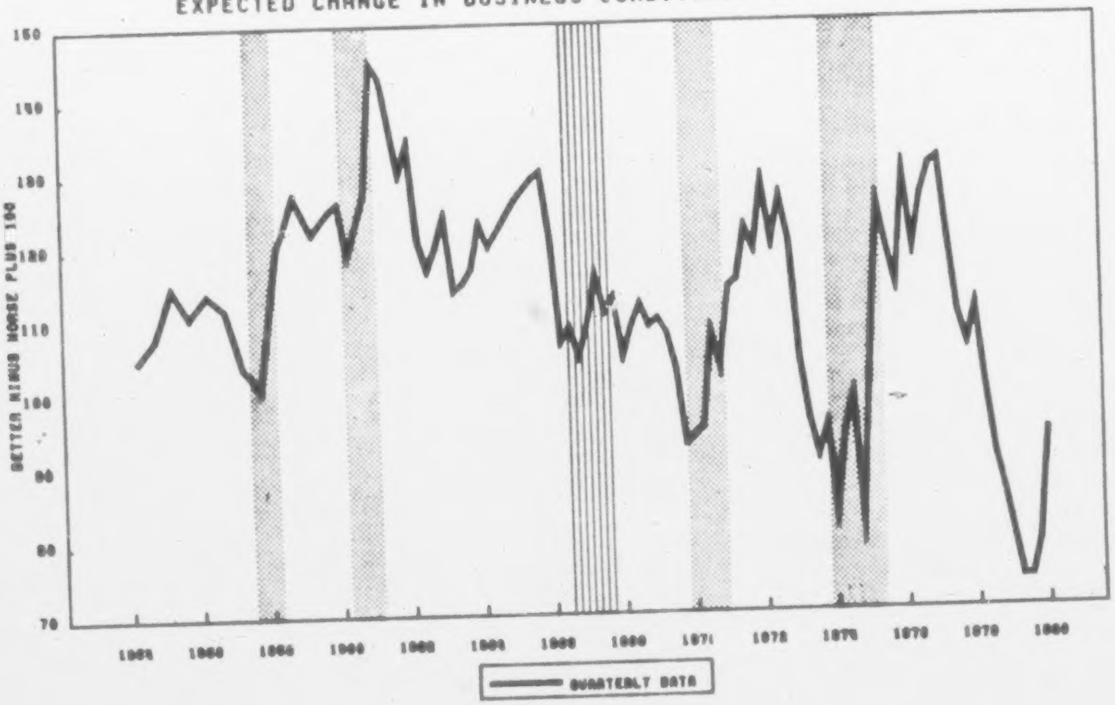

TABLE 14

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980	FEB. 1980	MAR. 1980	APR. 1980	MAY 1980
BETTER	11%	12%	11%	13%	15%	15%	15%	18%	17%	21%	14%	14%	21%
SAME	49	42	43	46	46	47	47	43	44	49	42	37	37
WORSE	37	42	43	39	35	35	36	35	35	27	42	46	39
DK, NA	3	4	3	2	4	3	2	4	4	3	2	3	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "AND HOW ABOUT A YEAR FROM NOW, DO YOU EXPECT THAT IN THE COUNTRY AS A WHOLE BUSINESS CONDITIONS WILL BE BETTER OR WORSE THAN THEY ARE AT PRESENT, OR JUST ABOUT THE SAME?"

CHART 15 - RECENT CHANGES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

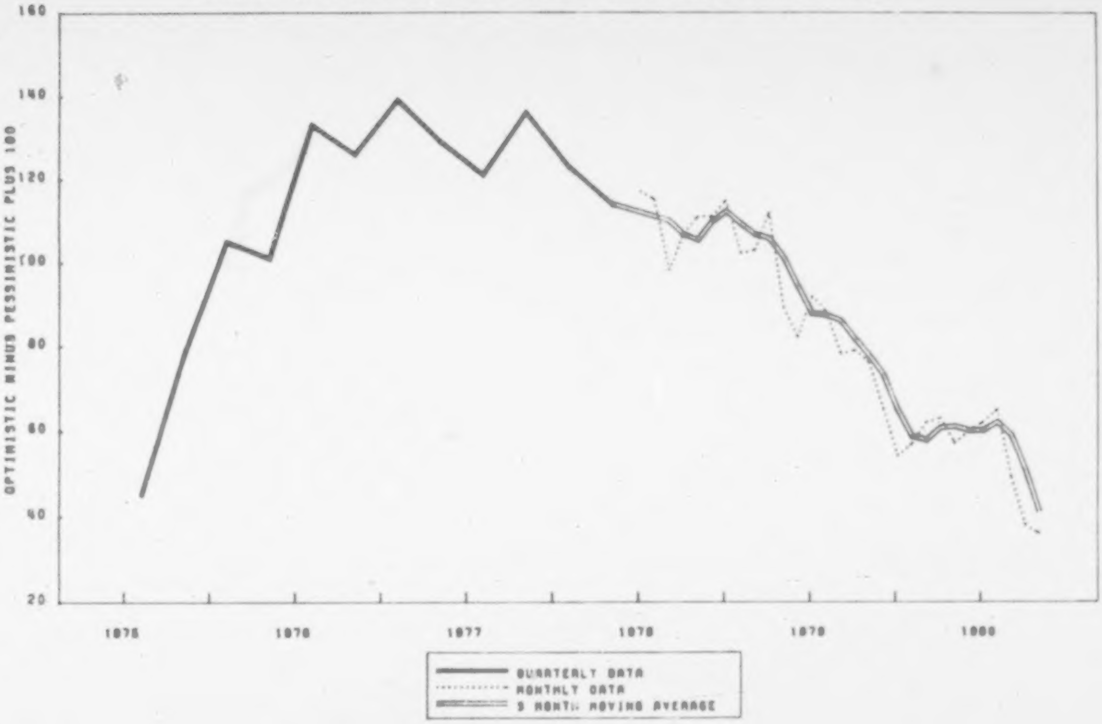

CHART 15 - HISTORICAL SERIES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

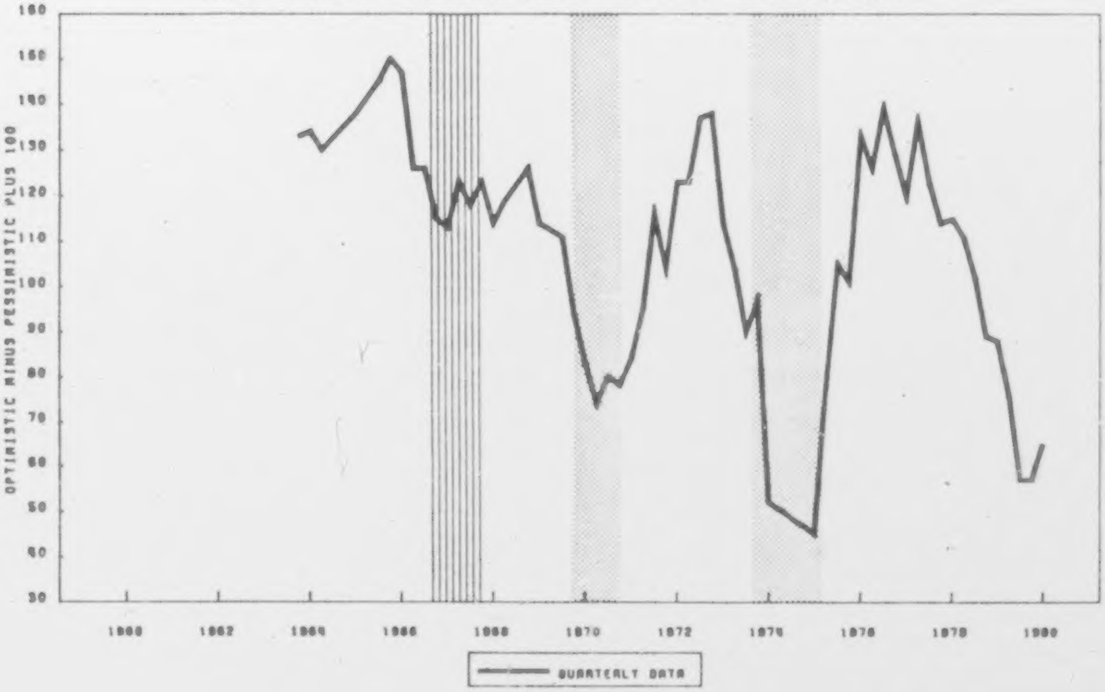

TABLE 15

TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980	FEB. 1980	MAR. 1980	APR. 1980	MAY 1980
B/B+	7%	6%	3%	4%	5%	6%	4%	6%	6%	8%	3%	4%	1%
B/S, S/B	17	13	13	13	14	13	12	11	10	12	9	6	5
S/S	10	7	5	5	5	7	8	6	9	6	6	3	1
W/S, S/W	25	27	29	30	30	31	30	29	30	33	31	32	34
W/W	23	28	33	31	27	26	29	28	24	22	32	40	36
W/B, B/W	13	12	13	12	13	11	14	14	16	15	14	11	20
DK, NA	5	7	4	5	6	6	3	6	5	4	5	4	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

KEY: B=BETTER, S=SAME, W=WORSE, DK=DON'T KNOW, NA=NOT ASCERTAINED,

+ = BETTER THAN A YEAR AGO/WILL BE BETTER A YEAR FROM NOW.

CHART 16 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

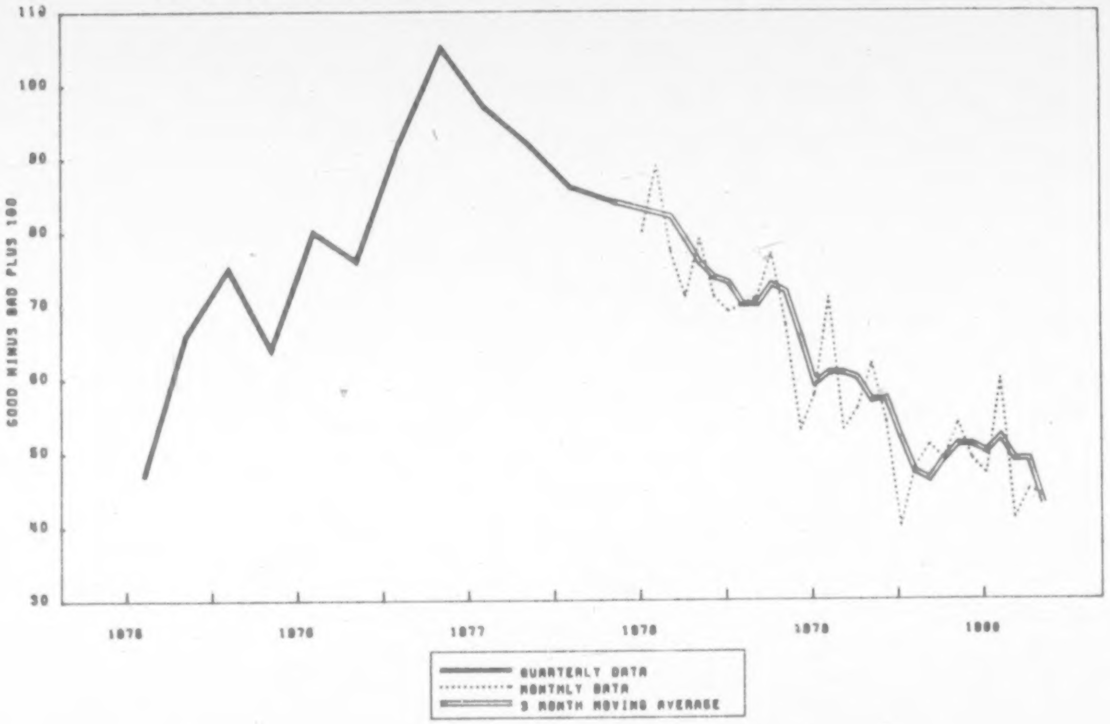

CHART 16 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

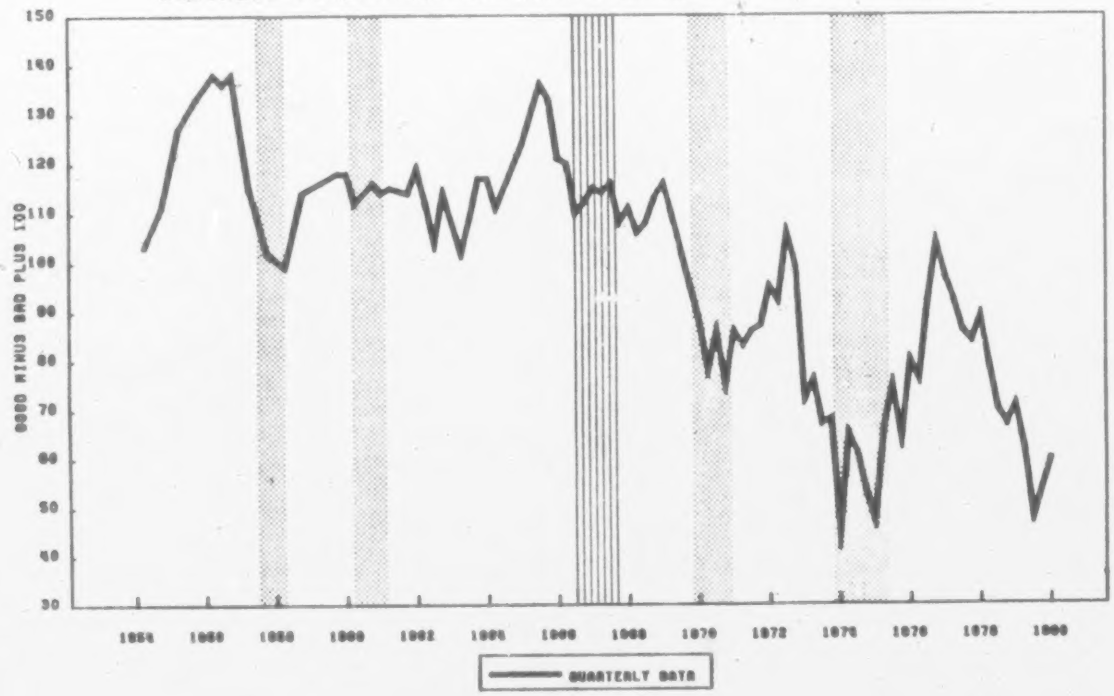

TABLE 16

BUSINESS CONDITIONS EXPECTED FOR NEXT FIVE YEARS

	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980	FEB. 1980	MAR. 1980	APR. 1980	MAY 1980
GOOD TIMES	19%	14%	10%	14%	16%	16%	18%	15%	17%	21%	13%	14%	15%
UNCERTAIN, GOOD & BAD	17	16	14	15	16	13	12	14	8	14	10	12	10
BAD TIMES	57	60	70	66	65	67	64	66	70	61	72	69	71
NA	7	10	6	5	3	4	6	5	5	4	5	5	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "LOOKING AHEAD, WHICH WOULD YOU SAY IS MORE LIKELY -- THAT IN THE COUNTRY AS A WHOLE WE'LL HAVE CONTINUOUS GOOD TIMES DURING THE NEXT 5 YEARS OR SO, OR THAT WE WILL HAVE PERIODS OF WIDESPREAD UNEMPLOYMENT OR DEPRESSION, OR WHAT?"

CHART 17 - RECENT CHANGES
EXPECTED CHANGE IN INTEREST RATES

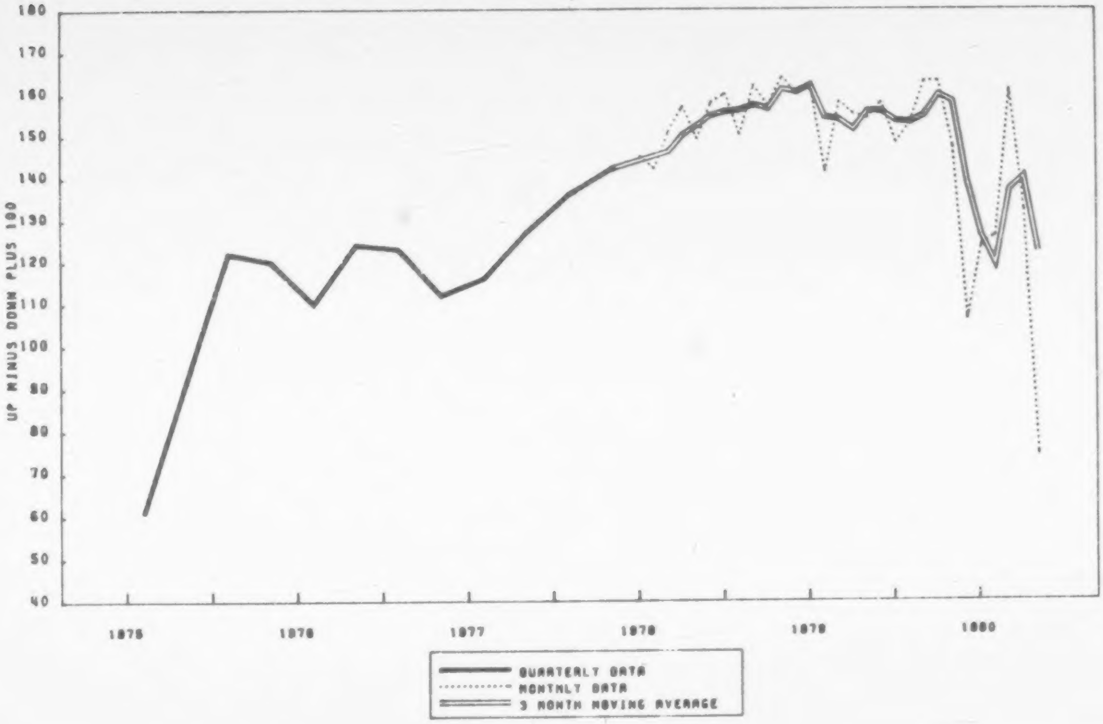

CHART 17 - HISTORICAL SERIES
EXPECTED CHANGE IN INTEREST RATES

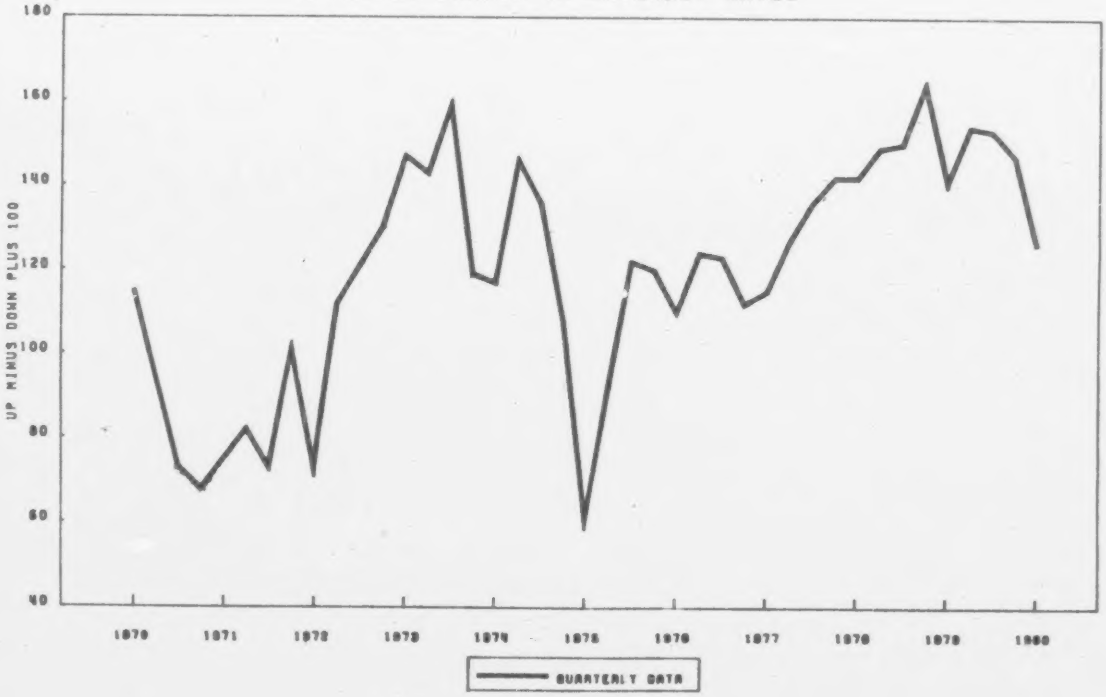

TABLE 17

EXPECTED CHANGE IN INTEREST RATES

	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980	FEB. 1980	MAR. 1980	APR. 1980	MAY 1980
GO UP	61%	66%	60%	61%	70%	70%	62%	40%	45%	47%	71%	56%	26%
STAY THE SAME	27	22	25	26	20	20	20	22	30	29	16	18	20
GO DOWN	7	8	12	8	7	7	15	34	21	21	10	24	52
DK, NA	5	4	3	5	3	3	3	4	4	3	3	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "NO ONE CAN SAY FOR SURE, BUT WHAT DO YOU THINK WILL HAPPEN TO INTEREST RATES FOR BORROWING DURING THE NEXT 12 MONTHS?"

CHART 18 - RECENT CHANGES
EXPECTED CHANGE IN UNEMPLOYMENT

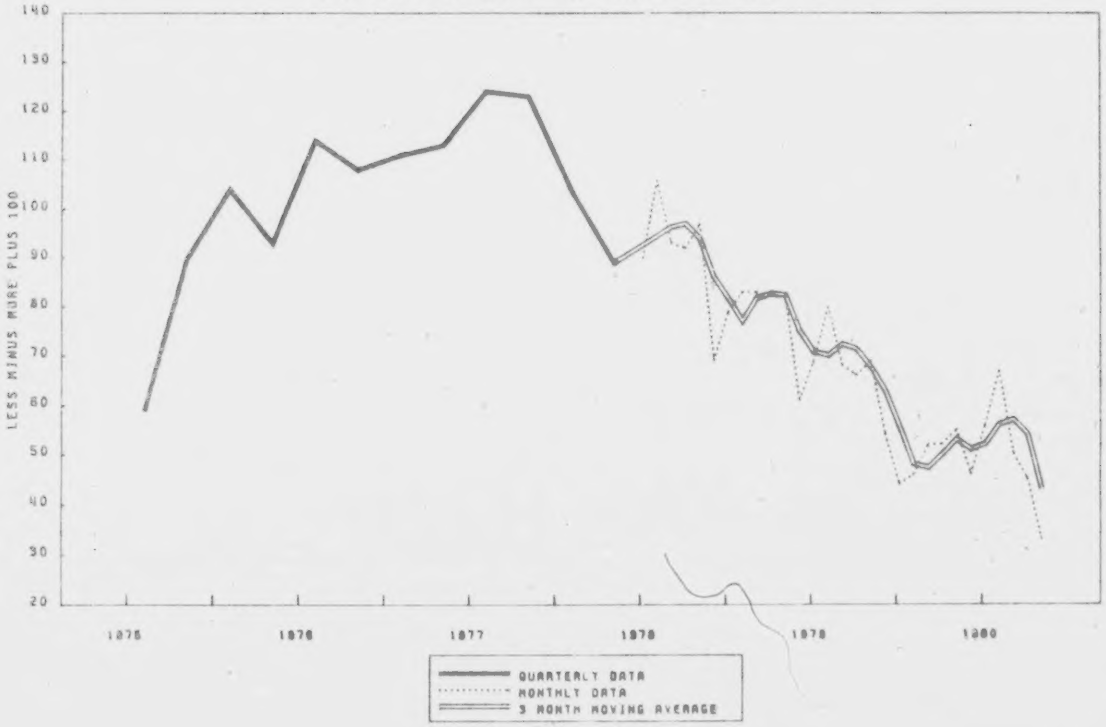

CHART 18 - HISTORICAL SERIES
EXPECTED CHANGE IN UNEMPLOYMENT

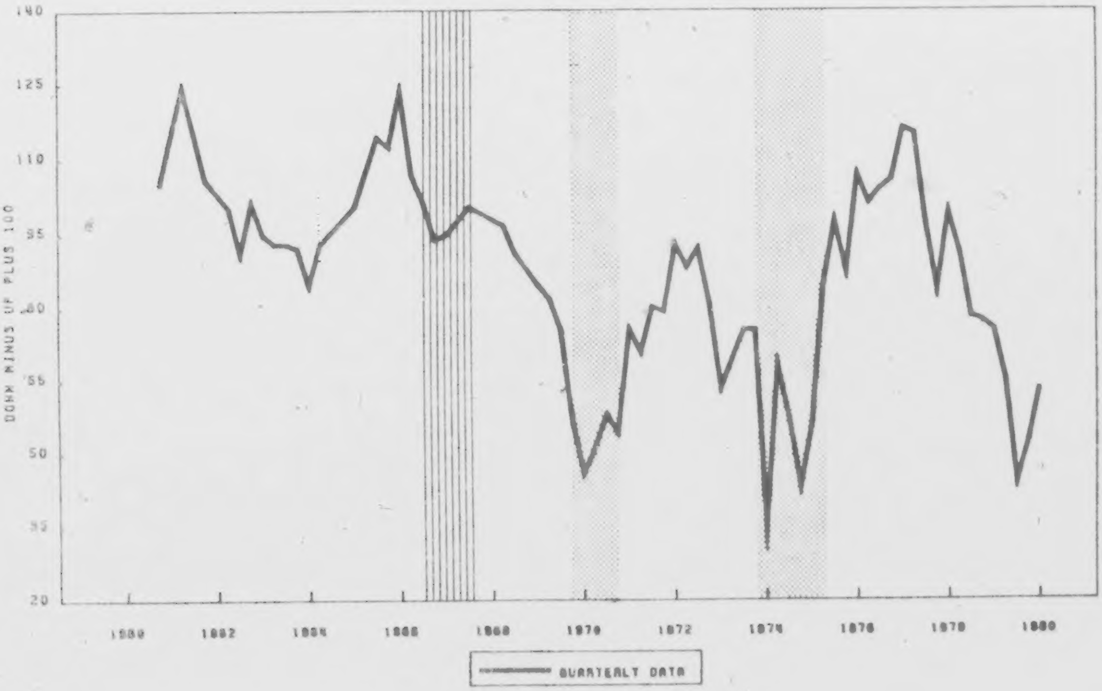

TABLE 18

EXPECTED CHANGE IN UNEMPLOYMENT

	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980	FEB. 1980	MAR. 1980	APR. 1980	MAY 1980
LESS	9%	6%	6%	7%	7%	7%	9%	7%	9%	13%	7%	7%	5%
SAME	46	39	31	30	36	36	35	30	34	38	35	29	23
MORE	40	52	62	61	55	55	54	61	54	46	57	62	72
DK, NA	5	3	1	2	2	2	2	2	3	3	1	2	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: " HOW ABOUT PEOPLE OUT OF WORK DURING THE COMING 12 MONTHS -- DO YOU THINK THAT THERE WILL BE MORE UNEMPLOYMENT THAN NOW, ABOUT THE SAME, OR LESS?"

CHART 19 - RECENT CHANGES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

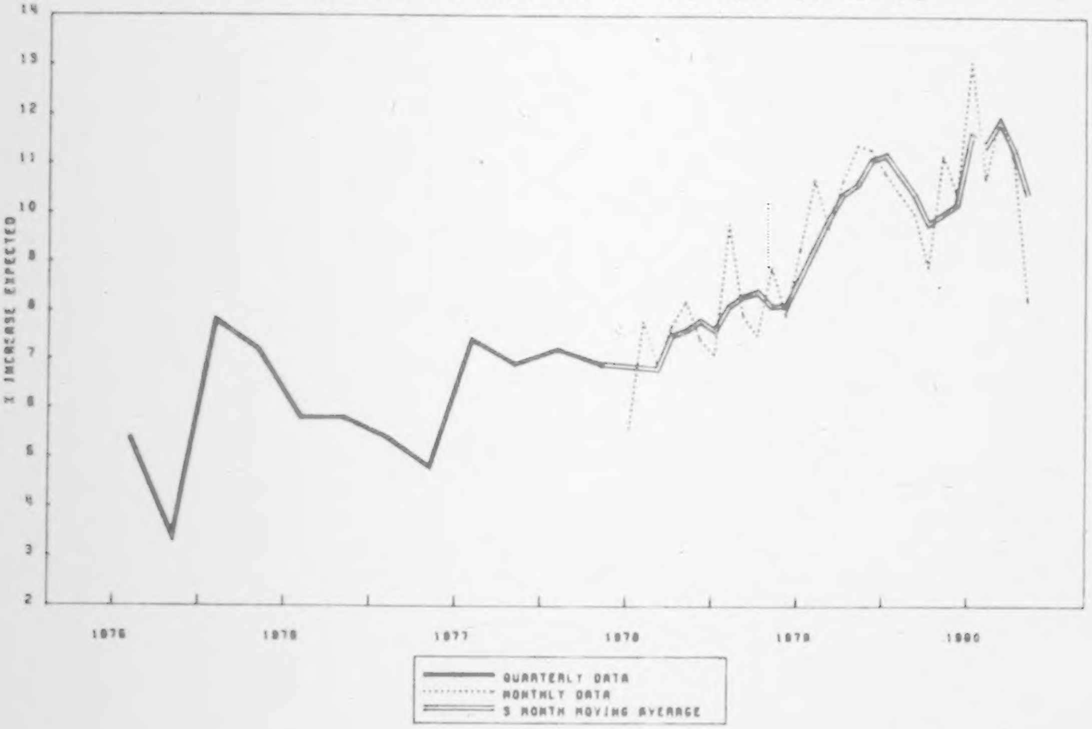

CHART 19 - HISTORICAL SERIES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

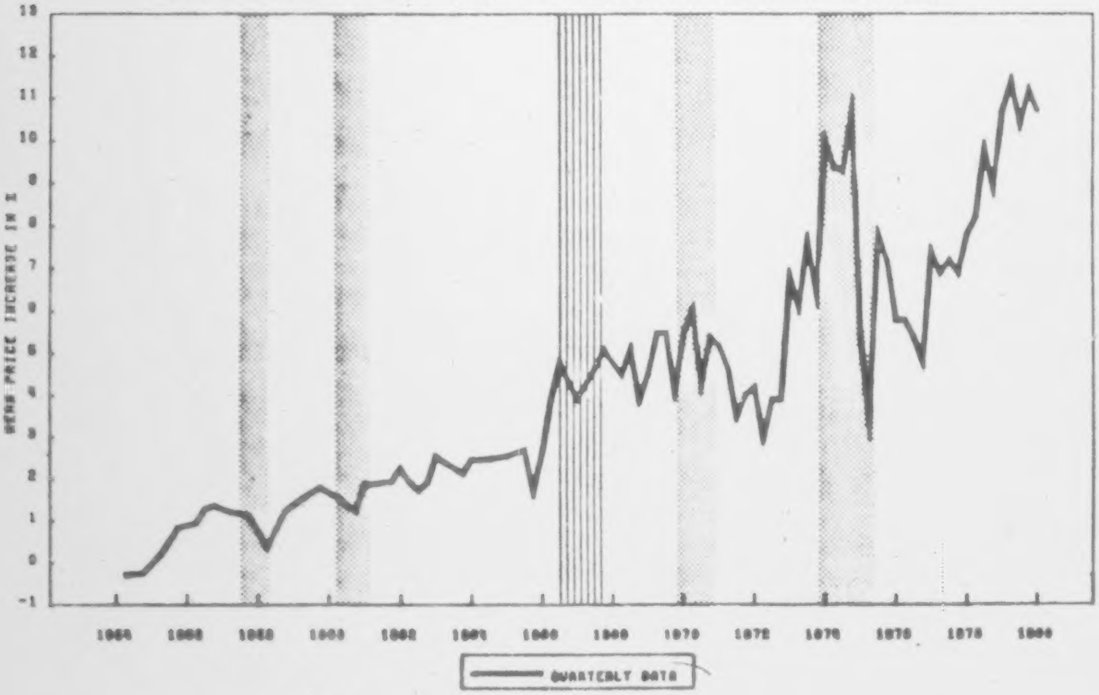

TABLE 19

EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980	FEB. 1980	MAR. 1980	APR. 1980	MAY 1980
SAME OR DOWN	8%	10%	12%	13%	12%	13%	12%	15%	9%	8%	13%	20%	31%
1 - 2% UP	3	3	2	2	5	4	2	2	2	4	3	2	1
3 - 4% UP	6	6	5	6	5	6	5	4	4	4	4	3	4
5% UP	10	8	10	9	8	10	7	7	7	11	8	7	9
6 - 9% UP	15	14	12	12	14	14	13	12	12	12	9	8	9
10% OR MORE	45	47	45	47	41	36	48	47	53	50	53	49	35
DK HOW MUCH UP	12	10	11	10	13	16	12	10	11	10	7	9	10
DK, NA	1	2	3	1	2	1	1	3	2	1	3	2	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	11.4	11.3	10.8	10.4	10.0	8.9	11.2	10.4	13.1	10.7	12.0	11.1	8.2

THE QUESTIONS WERE: "DURING THE NEXT 12 MONTHS, DO YOU THINK THAT PRICES IN GENERAL WILL GO UP, OR GO DOWN, OR STAY WHERE THEY ARE NOW?" (IF WILL GO UP) "BY ABOUT WHAT PERCENT DO YOU EXPECT PRICES TO GO UP, ON THE AVERAGE, DURING THE NEXT TWELVE MONTHS?"

TABLE 20

UNEMPLOYMENT OR INFLATION MORE SERIOUS

	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980	FEB. 1980	MAR. 1980	APR. 1980	MAY 1980
UNEMPLOYMENT	18%	23%	26%	27%	26%	25%	24%	28%	26%	24%	25%	26%	40%
EQUALLY SERIOUS	9	8	10	9	7	8	8	10	7	7	8	14	16
INFLATION	68	67	62	63	65	65	65	60	64	68	65	59	43
DK, NA	5	2	2	1	2	2	3	2	3	1	2	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "WHICH OF THE TWO PROBLEMS -- UNEMPLOYMENT OR INFLATION -- DO YOU THINK WILL CAUSE THE MORE SERIOUS ECONOMIC HARDSHIP FOR PEOPLE DURING THE NEXT YEAR OR SO?"

CHART 21 - RECENT CHANGES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

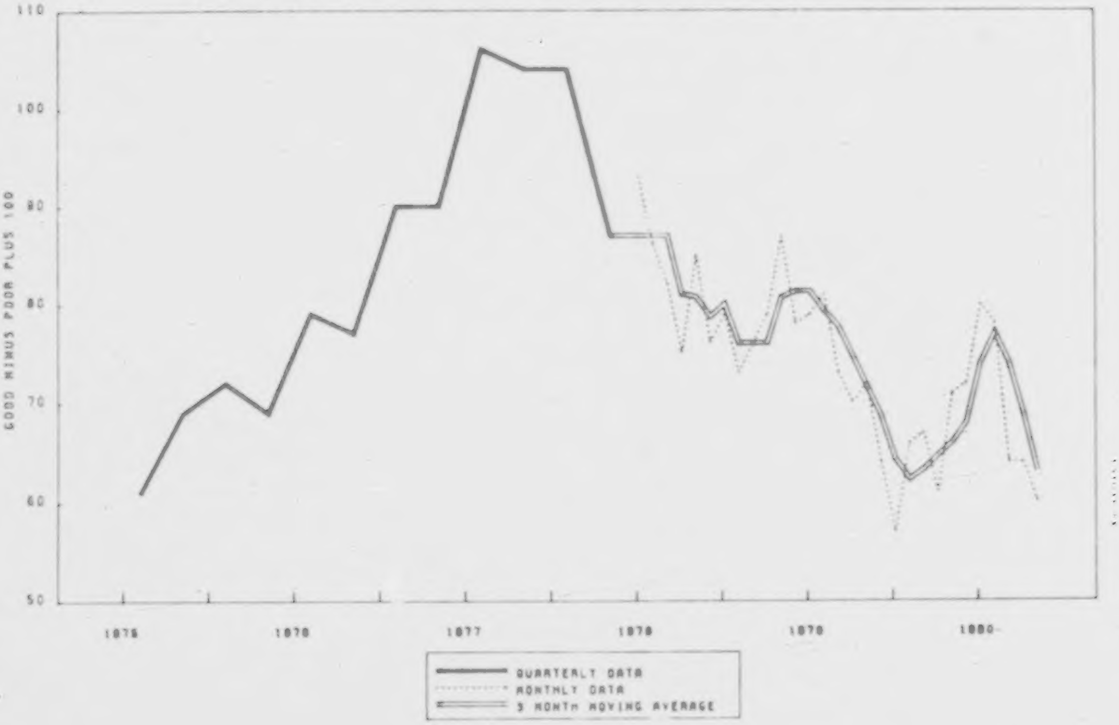

CHART 21 - HISTORICAL SERIES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

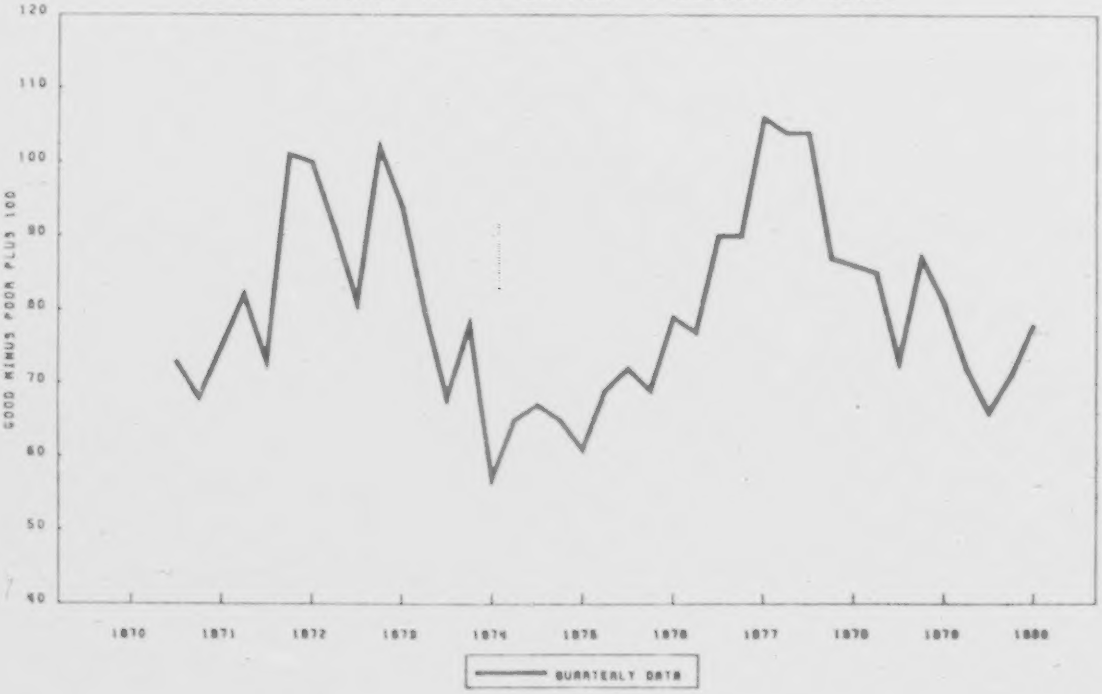

TABLE 21

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980	FEB. 1980	MAR. 1980	APR. 1980	MAY 1980
A GOOD JOB	10%	7%	5%	8%	7%	6%	10%	9%	11%	12%	7%	6%	5%
ONLY FAIR	48	47	43	48	51	46	47	50	54	51	46	48	48
A POOR JOB	38	43	48	42	40	45	39	37	31	34	43	42	45
DK, NA	4	3	4	2	2	3	4	4	4	3	4	4	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "AS TO THE ECONOMIC POLICY OF THE GOVERNMENT -- I MEAN STEPS TAKEN TO FIGHT INFLATION OR UNEMPLOYMENT -- WOULD YOU SAY THE GOVERNMENT IS DOING A GOOD JOB, ONLY FAIR, OR A POOR JOB?"

CHART 22 - RECENT CHANGES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

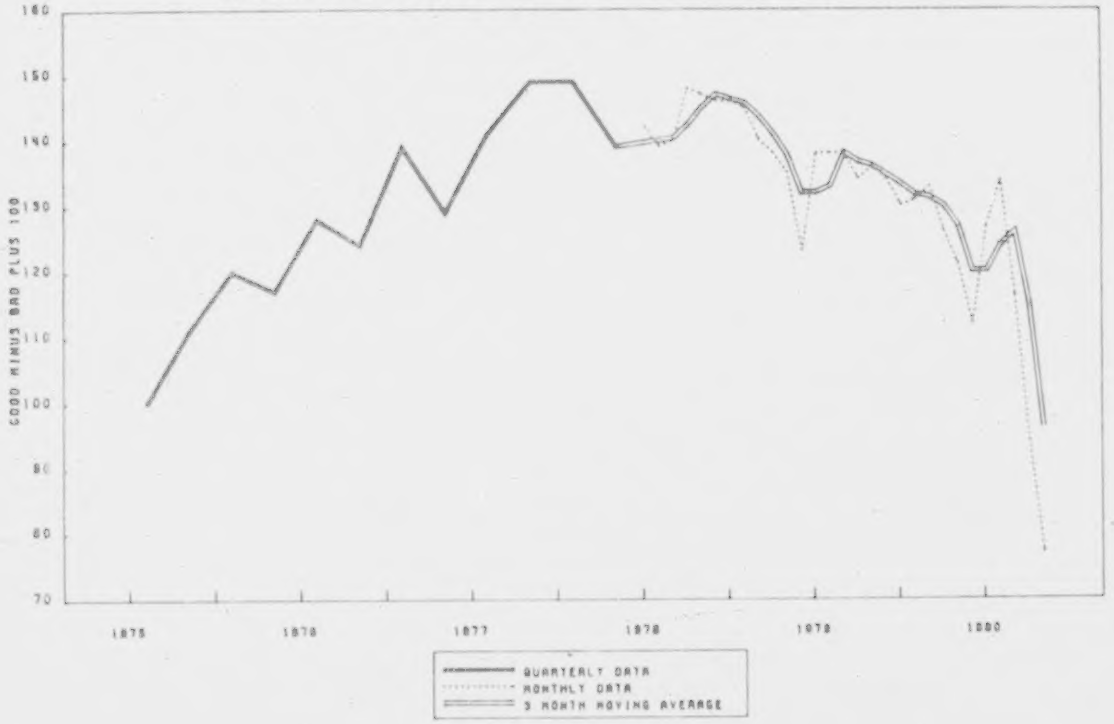

CHART 22 - HISTORICAL SERIES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

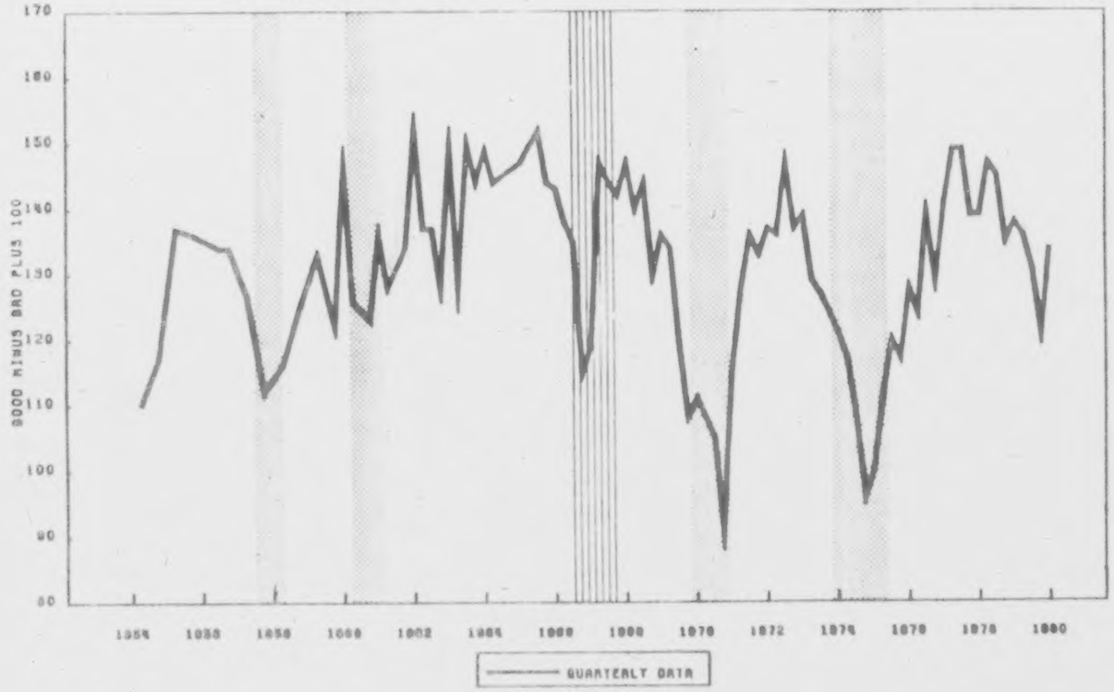

TABLE 22

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980	FEB. 1980	MAR. 1980	APR. 1980	MAY 1980
GOOD TIME TO BUY	62%	62%	60%	58%	62%	58%	54%	53%	60%	60%	54%	41%	35%
UNCERTAIN, DEPENDS	12	10	10	15	9	10	13	6	7	14	8	12	7
BAD TIME TO BUY	26	28	30	27	29	32	33	41	33	26	38	47	58
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "ABOUT THE BIG THINGS PEOPLE BUY FOR THEIR HOUSE -- SUCH AS FURNITURE, A REFRIGERATOR, STOVE, AND THINGS LIKE THAT. GENERALLY SPEAKING, DO YOU THINK NOW IS A GOOD TIME OR A BAD TIME TO BUY MAJOR HOUSEHOLD ITEMS?"

TABLE 23

SELECTED REASONS FOR OPINIONS ABOUT CURRENT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980	FEB. 1980	MAR. 1980	APR. 1980	MAY 1980
GOOD TIME TO BUY:													
PRICES ARE LOW; GOOD BUYS AVAILABLE	17%	10%	9%	19%	13%	8%	18%	12%	17%	23%	12%	9%	14%
PRICES GOING HIGHER; WON´T COME DOWN	35	46	46	33	42	48	27	38	47	33	43	28	23
BAD TIME TO BUY:													
PRICES ARE HIGH; GOING UP	18	20	19	18	18	18	18	26	20	16	23	30	34
CREDIT; HIGH INTEREST RATES	3	6	7	4	8	8	10	12	9	9	16	25	28

* = LESS THAN HALF OF ONE PERCENT.

RESPONSES TO THE QUERY "WHY DO YOU SAY SO?" FOLLOWING THE QUESTION NOTED IN THE PREVIOUS TABLE.

CHART 24 - RECENT CHANGES
BUYING CONDITIONS FOR HOUSES

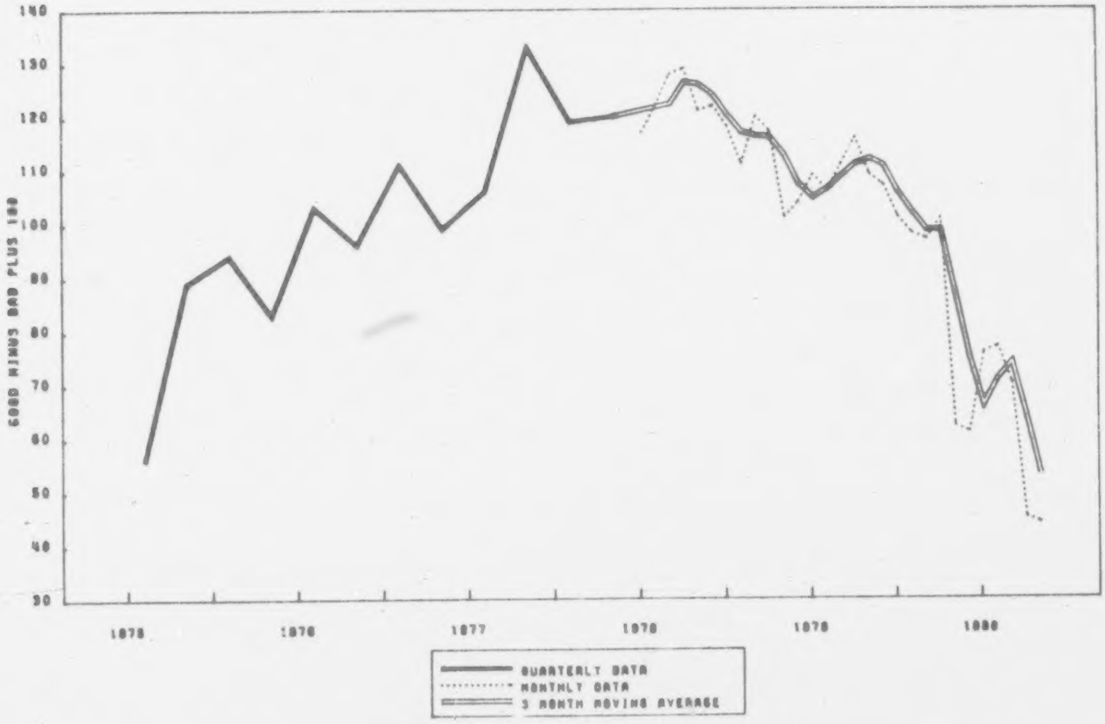

CHART 24 - HISTORICAL SERIES
BUYING CONDITIONS FOR HOUSES

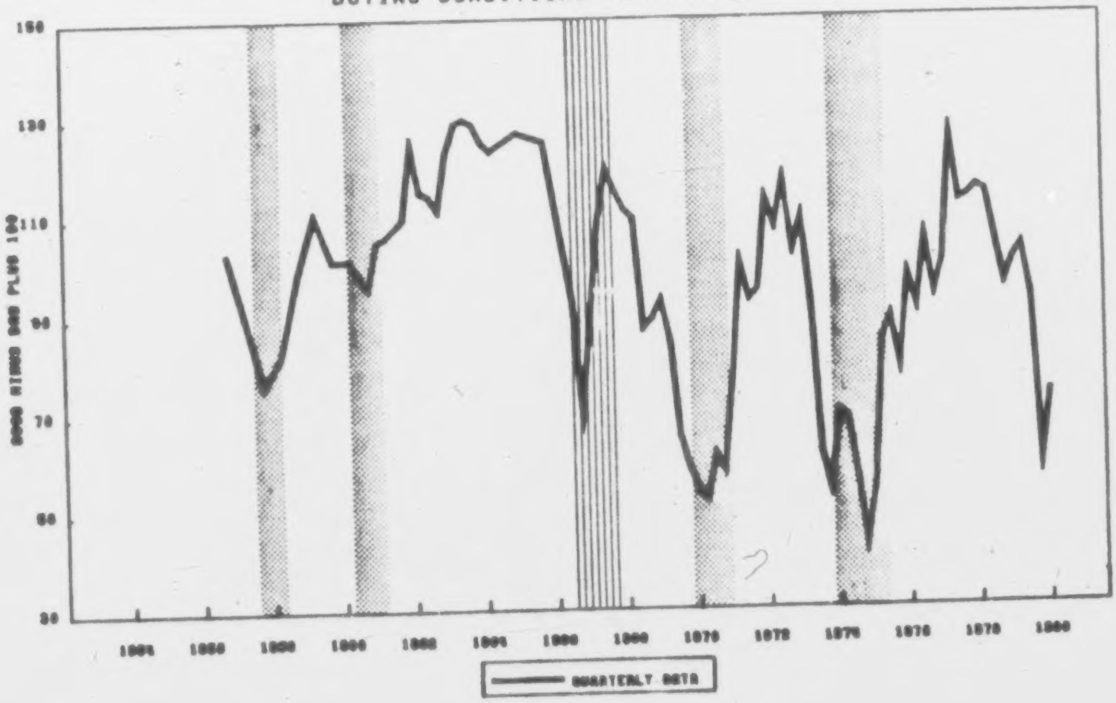

TABLE 24

BUYING CONDITIONS FOR HOUSES

	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980	FEB. 1980	MAR. 1980	APR. 1980	MAY 1980
GOOD TIME TO BUY	51%	50%	48%	46%	46%	48%	28%	27%	36%	36%	32%	19%	18%
UNCERTAIN, DEPENDS	7	7	5	6	5	5	6	7	4	5	6	7	8
BAD TIME TO BUY	42	43	47	48	49	47	66	66	60	59	62	74	74
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "GENERALLY SPEAKING, DO YOU THINK NOW IS A GOOD TIME OR A BAD TIME TO BUY A HOUSE?"

CHART 26 - RECENT CHANGES
BUYING CONDITIONS FOR CARS

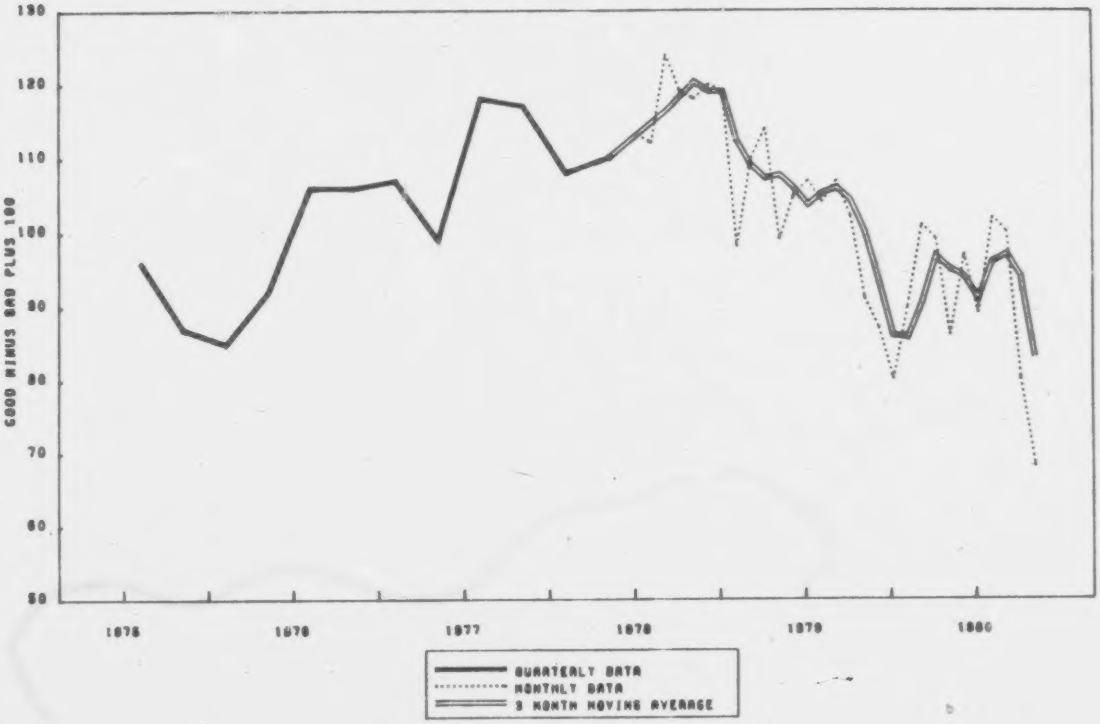

CHART 26 - HISTORICAL SERIES
BUYING CONDITIONS FOR CARS

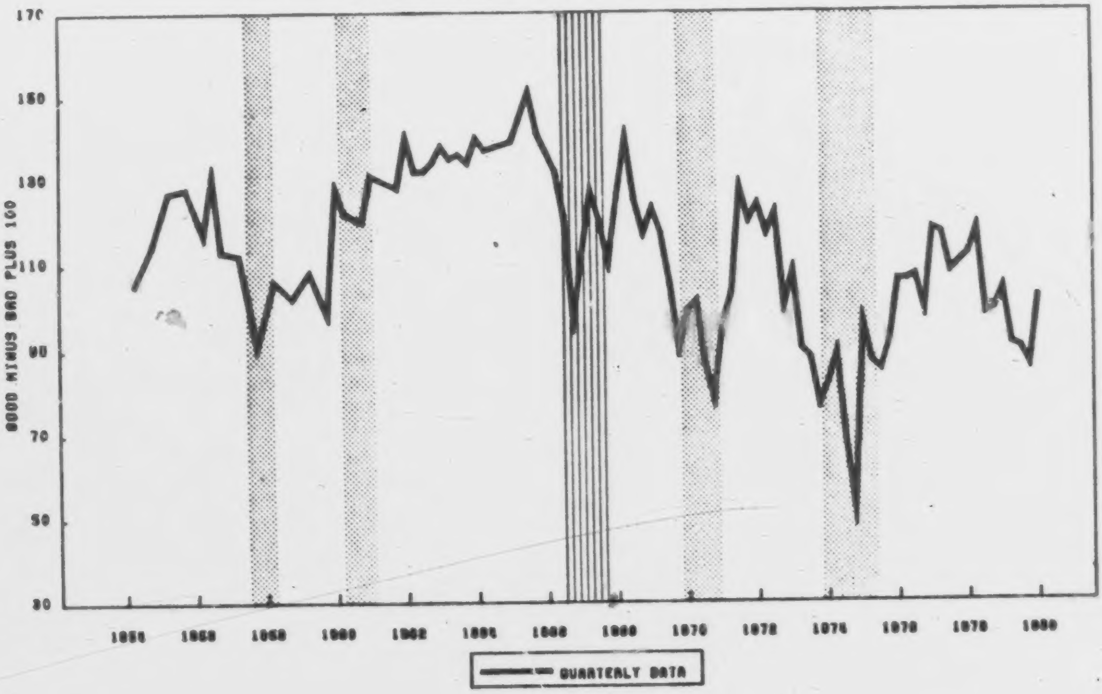

TABLE 26

BUYING CONDITIONS FOR CARS

	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980	FEB. 1980	MAR. 1980	APR. 1980	MAY 1980
GOOD TIME TO BUY	39%	37%	32%	38%	44%	45%	38%	44%	39%	47%	45%	35%	29%
UNCERTAIN, DEPENDS	13	13	16	14	12	9	10	9	11	8	10	10	10
BAD TIME TO BUY	48	50	52	48	44	46	52	47	50	45	45	55	61
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

THE QUESTION WAS: "SPEAKING NOW OF THE AUTOMOBILE MARKET -- DO YOU THINK THE NEXT 12 MONTHS OR SO WILL BE A GOOD OR A BAD TIME TO BUY A CAR?"

TABLE 27

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

	MAY 1979	JUNE 1979	JULY 1979	AUG. 1979	SEPT 1979	OCT. 1979	NOV. 1979	DEC. 1979	JAN. 1980	FEB. 1980	MAR. 1980	APR. 1980	MAY 1980
GOOD TIME TO BUY:													
PRICES ARE LOW; GOOD BUYS AVAILABLE	6%	7%	13%	~~16%~~	18%	13%	13%	15%	12%	17%	14%	13%	21%
PRICES GOING HIGHER; WON'T COME DOWN	22	21	17	14	21	23	16	21	22	19	22	10	8
NEW FUEL EFFICIENT MODELS	14	12	13	11	9	8	8	10	8	14	13	12	6
BAD TIME TO BUY:													
PRICES ARE HIGH; MAY FALL LATER	26	25	28	27	25	27	30	27	31	22	25	32	30
CREDIT; HIGH INTEREST RATES	6	3	4	7	6	8	18	16	13	14	17	24	29
ENERGY; FUEL SHORTAGE	22	26	24	18	14	13	10	12	19	13	16	16	15

* = LESS THAN HALF OF ONE PERCENT.

RESPONSES TO THE QUERY "WHY DO YOU SAY SO?" FOLLOWING THE QUESTION NOTED IN THE PREVIOUS TABLE.

1.

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SURVEY RESEARCH CENTER
UNIVERSITY OF MICHIGAN

MAY 1980 SURVEY

Surveys of Consumer Attitudes

Richard T. Curtin, *Director*

UNFAVORABLE BUYING ATTITUDES CONTINUE TO MOUNT

**In the May 1980 survey, the Index of Consumer Sentiment was 51.7, down 1 Index point from the 52.8 recorded in April 1980, and 16 points below a year ago. This represents the third consecutive month that the Index was below its prior record low of 58.0 recorded in 1974-75. The largest declines in the May survey involved attitudes towards buying conditions for durables and motor vehicles.

**Among families with incomes of $20,000 or more the Index was 55.2, up somewhat from the 52.5 recorded in April 1980, but 18 Index-points below the May 1979 reading.

**A new record level of pessimistic business expectations was recorded in the May 1980 survey. Among all consumers:

90 percent said business conditions had worsened during the past year, more than ever recorded (89 percent in February 1975).
82 percent expect bad times financially in the economy as a whole during the next 12 months, significantly above the prior record level of 70 percent recorded in February 1975.
72 percent expect unemployment to increase during the next 12 months, significantly above the prior record level of 63 percent in November 1974.

**In contrast to the sharp declines in the outlook for the economy due to fears of unemployment, price and interest rate expectations have moderated in recent months.

**Unfavorable assessments of market conditions have increased sharply in recent months, and have pushed buying attitudes to new record low levels.

58 percent rated buying conditions for household durables in May 1980 as unfavorable, above the prior record level of 35 percent in November 1974.
74 percent rated house buying conditions as unfavorable in May 1980, above the prior record of 71 percent in late 1974.
61 percent rated buying conditions for vehicles as unfavorable in May 1980, nearly equal the late 1974 record level of 62 percent.

* * *

Consumers were more pessimistic in the May 1980 survey than ever before observed in the history of these surveys. Concern with spreading unemployment rather than fear of inflation has been more responsible for lowered confidence in recent months. Although severely depressed before the March announcement, concern with credit conditions led to an accelerated deterioration in favorable buying attitudes. The deep declines will not easily nor quickly yield to sustained improvement. Inflation pinched budgets and depleted savings and reserve funds will force relatively greater reductions in discretionary purchases. Use of credit and debt is likely to remain at depressed levels in the near term due to uncertainty about its use, as well as the widespread expectation of lower interest rates. Sustained improvement in consumer confidence can only take place when consumers perceive effective action to slow and reverse the downward trends in employment and incomes.

Monitoring Economic Change Program
Institute for Social Research • P.O. Box 1248 • Ann Arbor, Michigan 48106 • (313) 763-5224

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New Record Lows

The March through May Surveys of Consumer Attitudes have documented the most pessimistic attitudes and expectations recorded in more than a quarter-century. Although already at greatly depressed levels at the start of 1980, the Index and all of its components were above prior record lows. After falling 15 Index points during the past three months, the May 1980 Index figure was 6 points below the prior record low recorded in 1974-75 (see Table A below). From February to May 1980 favorable attitudes toward buying conditions fell by 60 Index points (from 134 to 77), moving from 38 Index points above the prior record low to 19 Index points below. Concern with tight credit conditions and high interest rates, coupled with fears of spreading unemployment, are responsible for both the steep recent slide in consumer sentiment as well as the establishment of new record low levels.

During the past year, buy-in-advance price rationales have been offset and replaced by concern with tight credit conditions and high interest rates. This shift occurred first in the housing market in early 1979, followed by the auto market in late 1979, and during the past several months, in the household durable goods market. The announced credit control program in March 1980 has greatly accelerated this shift from buy-in-advance price rationales to postponement because of credit considerations.

TABLE A

		Index Components[a]				
		Current		Expected		
	Index	Personal Finances	Buying Conditions	Personal Finances	12-Month Business	5-Year Business
October 1974-February 1975 Low	58.0	81	96	99	45	47
February 1980 Survey Difference from 1974-75 Low	66.9 (+8.9)	85 (+4)	134 (+38)	99 (0)	55 (+10)	60 (+13)
March 1980 Survey Difference from 1974-75 Low	56.5 (-1.5)	76 (-5)	116 (+20)	92 (-7)	38 (-7)	41 (-6)
April 1980 Survey Difference from 1974-75 Low	52.8 (-5.2)	73 (-8)	94 (-2)	94 (-5)	32 (-13)	45 (-2)
May 1980 Survey Difference from 1974-75 Low	51.7 (-6.3)	79 (-2)	77 (-19)	100 (+1)	31 (-19)	44 (-3)
Total 3-Month Change	-15.2	-6	-60	+1	-24	-16

---

[a] Table entries are the sample proportion giving favorable replies minus the proportion

Personal Finances Bleak

A small and insignificant improvement in personal financial attitudes was recorded in the May 1980 survey over the March and April 1980 record lows. The small shift acts to confirm the persistence of attitudes at near-record low levels rather than indicating potential reversal of these steep losses. The near majority (47 percent) continued to report being worse off financially compared with a year earlier, and one-in-four families (27 percent) expect their financial situation to worsen in the year ahead. These figures have remained largely unchanged during the past three months. In explaining their financial situation, somewhat fewer families mentioned receiving income increases in May 1980 (25 percent) than in February 1980 (31 percent), and somewhat fewer mentioned price increases as making them worse off in May 1980 (41 percent) than in February 1980 (45 percent). The slowdown in the rate of inflation since early 1980 may have accounted for this small but negligible improvement.

When asked in April and May 1980 whether they had put more money in or taken more money out of their savings and reserve funds during the past year, the majority of households reported declines in savings. In May 1980, 50 percent of all households said that they had taken more money out of their savings during the past year, up from 46 percent in February 1979, and 12 percent of all families in May 1980 said that they had no savings, up from 10 percent in February 1979. Importantly, 23 percent of all respondents in May 1980 reported that their savings and reserve funds had declined by unusually large amounts during the past year, up from 15 percent recorded in February 1979.

TABLE B

CHANGE IN SAVINGS AND RESERVE FUNDS

Change in Household Saving	Feb. 1979		April 1980		May 1980	
Put more money in	28%		20%		21%	
Typical increase		21		13		15
Unusually large		7		7		6
Stayed the same	13%		17%		16%	
Took more money out	46%		52%		50%	
Typical decrease		31		28		27
Unusually large		15		24		23
Has no savings	10%		11%		12%	
Don't know; not ascertained	3		*		1	
Total	100%		100%		100%	
Cases	1361		719		703	

---

*Less than 0.5 percent.

The questions were: "Considering all of your savings and reserve funds, overall, did you put more money in or take more money out in the last year?" (IF PUT MORE MONEY IN OR TOOK MORE MONEY OUT) "Was this an unusually large (increase/decrease) in savings or was it rather typical for you?"

Fear of Spreading Unemployment

When asked whether they had heard of any recent changes in business conditions, seven-in-ten respondents reported hearing news of changes, with mentions of unfavorable news almost 10 times more frequent than favorable news (97 versus 10 percent). News reported in the May survey was dominated by mentions of spreading unemployment. During the past three months there has been a rapidly growing awareness that the economy is in recession. In May 1980, 90 percent of all families reported current business conditions were worse than those a year earlier, up from 80 percent in April, and 67 percent in February 1980. At no time in the history of these surveys has a greater proportion of consumers reported deterioration in business conditions--the prior record of 89 percent was recorded in February 1975.

Business prospects for the next twelve months were viewed with growing pessimism. Bad times financially in the economy as a whole during the next twelve months were expected by a record-setting 82 percent of all families in May 1980. At the most pessimistic point in the 1974-75 recession, 70 percent expected bad times financially in the economy as a whole. Unfavorable expectations have increased significantly since February 1980, going from a majority view (67 percent) to a more nearly consensus view (82 percent). Long-term business prospects also remained quite pessimistic, as 71 percent of all families in May 1980 expected bad times financially during the next five years in the economy as a whole, up from 61 percent in February 1980.

Sharp increases in pessimistic business expectations were due to heightened fears of unemployment. In the May 1980 survey, 72 percent expected unemployment to increase during the next year, up from 62 percent in April and 46 percent in February 1980. At its worst in the 1974-75 recession, 63 percent of all families expected increased unemployment, significantly fewer than the 72 percent recorded in May 1980.

Price and Interest Rate Expectations Moderate

In the May 1980 survey, interest rates were expected to decline in the year ahead by the majority of all respondents. Overall, just 26 percent reported that they expected interest rates to increase, down from 56 percent in April 1980, and 71 percent in March 1980. For the first time since February 1975 (when 53 percent expected interest rate declines), a majority (52 percent) expect interest rate declines, up from 24 percent in April, and 10 percent in March 1980. The recent monetary policy announcements in November of 1979 and March of 1980 have both led in the following several months to reduction in interest rate expectations.

Price expectations were also markedly lower in the May 1980 survey. Overall, consumers expected price increases to average 8.2% during the next twelve months, down from 11.1% in April 1980, and 12.0% in March 1980. During the past three months, the proportion of respondents who expect inflation to average 10% or more fell from 50 percent in February to 35 percent in May 1980.

When asked whether inflation or unemployment was the more serious problem facing the nation, a near-even split in opinion was recorded in the May 1980 survey--inflation was thought more serious by 43 percent and unemployment was reported being more serious by 40 percent. This represents a significant shift in overall opinion from prior surveys, when inflation rather than unemployment was chosen as the more serious problem by a margin of 68 to 24 percent in February 1980, and 68 to 18 percent in May 1979.

In the May 1980 survey confidence in government economic policy to combat inflation and unemployment returned to the low levels first recorded in mid-1979. Among all families, 45 percent felt the government was doing a poor job, up from 31 percent in January 1980 and comparable to the high of 48 percent recorded in July 1979. Just 5 percent of all families in May 1980, as well as in July 1979, felt that the government was doing a good job in combating inflation or unemployment.

Unfavorable Buying Attitudes Reach New Record Levels

Unfavorable attitudes toward buying conditions for household durables and houses reached new record levels in the May 1980 survey. Among all families, 58 percent felt buying conditions for household durables were unfavorable in May 1980, significantly above the prior record levels of 41 percent in October-November 1970, and 35 percent in October-November 1974. In both the April and May 1980 surveys, 74 percent of all families rated buying conditions for houses as unfavorable, somewhat above the prior record level of 71 percent recorded in October-November 1974. Unfavorable attitudes toward buying conditions for vehicles were held by 61 percent of all families in May 1980, nearly equal the record level of 62 percent recorded in October-November 1974.

Unfavorable attitudes toward buying conditions for household durables have doubled in frequency during the past three months, going from 26 percent in February to 58 percent in May 1980. Similarly, the proportion holding favorable attitudes toward market conditions for durables declined from 60 percent in February to 35 percent in May 1980. A major reason underlying this shift in opinion was tight credit conditions and high interest rates. Among all respondents, 28 percent mentioned credit conditions when explaining why they felt buying conditions were unfavorable, up from 9 percent in February 1980--prior to the March credit policy announcement. In addition, the appeal of buy-in-advance rationales continues to diminish, with just 23 percent mentioning this rationale in May, down from 33 percent in February 1980, while postponement due to high prices rose in frequency from 16 percent in February to 34 percent in May 1980.

The decline in attitudes toward buying conditions for vehicles accelerated during the past several months. In May 1980, 61 percent of all families rated buying conditions for vehicles as unfavorable, up from 45 percent in February 1980. The sharp increase in unfavorable attitudes was mirrored by the increase in mentions of high interest rates and tight credit conditions. In the May survey, 29 percent of all families mentioned credit considerations when explaining why they felt buying conditions for vehicles were unfavorable, more than twice the 14 percent recorded in February 1980. It should be noted, however, that credit considerations have significantly affected attitudes toward market conditions for vehicles since November 1979, when 18 percent mentioned these considerations when evaluating marketing conditions. In comparison with a year ago, just 6 percent of all families mentioned credit when evaluating vehicle market conditions. Buy-in-advance psychology held practically no appeal in May 1980 (8 percent) compared with the dominance of postponement in reaction to high prices (30 percent)

* * *

The May 1980 survey included 703 completed interviews conducted between April 21 and May 21, 1980.

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SURVEYS OF CONSUMER ATTITUDES

TABLES AND CHARTS

JUNE 1980 SURVEY

SURVEY RESEARCH CENTER
UNIVERSITY OF MICHIGAN

Institute for Social Research

TABLES AND CHARTS

JUNE 1980 SURVEY

THE JUNE 1980 SURVEY IS THE 119TH IN A SERIES OF SURVEYS OF CONSUMER ATTITUDES CONDUCTED DURING THE LAST 30 YEARS. THE PURPOSE OF THESE SURVEYS IS TO MEASURE CHANGES IN CONSUMER ATTITUDES AND EXPECTATIONS, AND TO INCREASE UNDERSTANDING OF WHY THESE CHANGES OCCUR AND HOW THEY AFFECT CONSUMER DECISIONS TO MAKE DISCRETIONARY PURCHASES OR TO SAVE. IT IS OUR BELIEF THAT THIS TYPE OF UNDERSTANDING IS AN ESSENTIAL INGREDIENT FOR FORECASTING CHANGES IN AGGREGATE CONSUMER BEHAVIOR.

TWO CHARTS ARE PRESENTED FOR MOST QUESTIONS IN ORDER TO SHOW LONG TERM TRENDS AS WELL AS MORE RECENT FLUCTUATIONS AND HIGH INCOME DIFFERENCES. NOTE THAT BOTH VERTICAL AND HORIZONTAL SCALES DIFFER FOR THESE TWO KINDS OF CHARTS.

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19	BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS
20	EXPECTED CHANGE IN UNEMPLOYMENT
21	EXPECTED CHANGE IN INTEREST RATES
22	CHANGES IN PRICES DURING THE LAST 12 MONTHS
23	EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS
24	UNEMPLOYMENT OR INFLATION MORE SERIOUS
25	OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY
26	BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS
27	SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS
28	BUYING CONDITIONS FOR HOUSES
29	SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES
30	BUYING CONDITIONS FOR CARS
31	SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

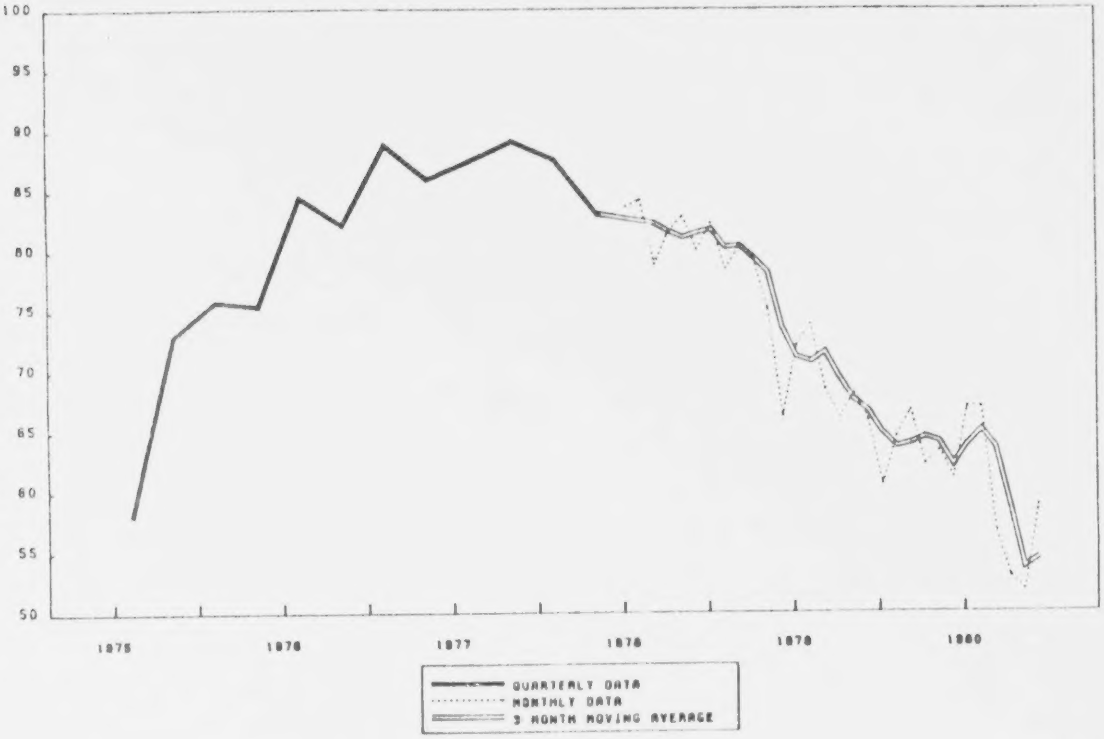

CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT

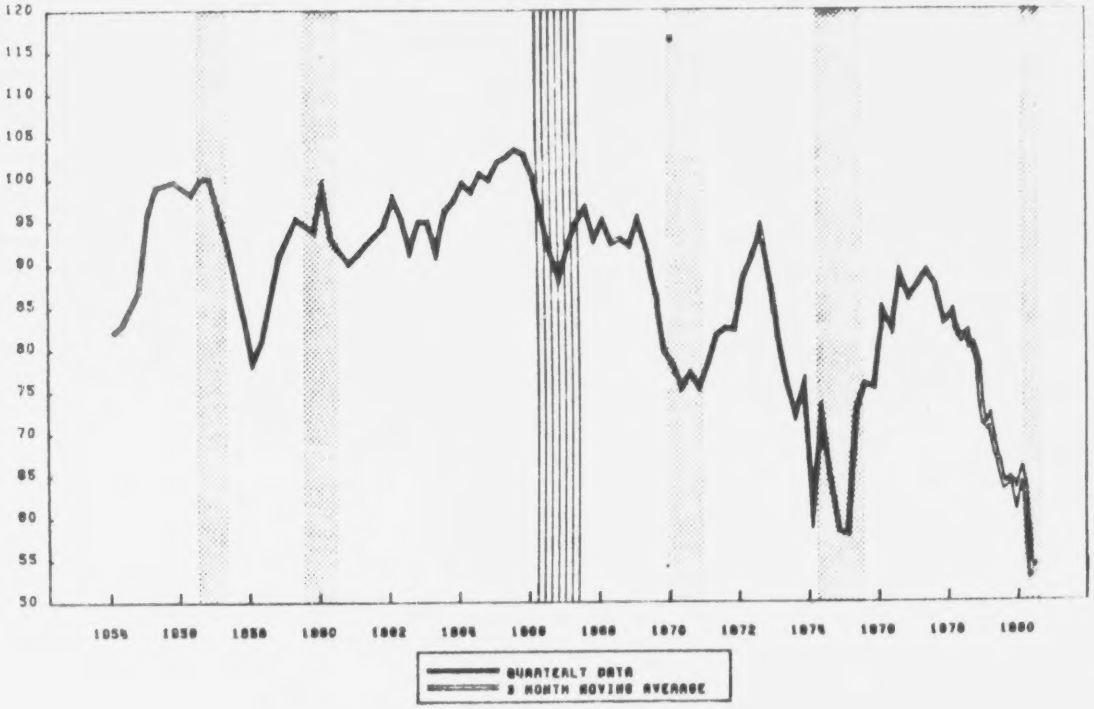

TABLE 1

THE INDEX OF CONSUMER SENTIMENT

DATE OF STUDY	ALL FAMILIES	FAMILIES WITH INCOMES OF $20,000+	FAMILIES WITH INCOMES OF $25,000+
FEBRUARY 1975	58.0	56.5	
MAY 1975	72.9	74.9	
AUG-SEPT. 1975	75.8	82.1	
OCT-NOV. 1975	75.4	82.6	
FEBRUARY 1976	84.5	90.2	
MAY 1976	82.2	97.2	
AUG-SEPT. 1976	88.8	88.0	
NOV-DEC. 1976	86.0	91.8	
FEBRUARY 1977	87.5	103.1	
MAY 1977	89.1	98.6	
AUG-SEPT. 1977	87.6	101.7	
NOV-DEC. 1977	83.1	93.0	
JANUARY 1978	83.7	95.6	94.7
FEBRUARY 1978	84.3	98.0	100.1
MARCH 1978	78.8	87.5	93.8
APRIL 1978	81.6	94.5	92.9
MAY 1978	82.9	87.1	90.0
JUNE 1978	80.0	92.7	94.6
JULY 1978	82.4	91.7	92.4
AUGUST 1978	78.4	85.1	85.4
SEPTEMBER 1978	80.4	87.2	87.2
OCTOBER 1978	79.3	88.1	89.1
NOVEMBER 1978	75.0	81.0	83.0
DECEMBER 1978	66.1	73.8	76.8
JANUARY 1979	72.1	83.7	84.8
FEBRUARY 1979	73.9	84.3	86.6
MARCH 1979	68.4	75.3	73.6
APRIL 1979	66.0	73.7	77.0
MAY 1979	68.1	73.5	76.7
JUNE 1979	65.8	71.8	72.9
JULY 1979	60.4	67.2	68.0
AUGUST 1979	64.5	70.0	71.3
SEPTEMBER 1979	66.7	71.6	63.9
OCTOBER 1979	62.1	65.6	65.5
NOVEMBER 1979	63.3	68.3	69.9
DECEMBER 1979	61.0	66.2	73.2
JANUARY 1980	67.0	70.8	70.9
FEBRUARY 1980	66.9	70.8	73.5
MARCH 1980	56.5	62.3	64.5
APRIL 1980	52.8	52.5	57.2
MAY 1980	51.7	55.2	53.3
JUNE 1980	58.8	61.7	63.8

CHART 3 - HISTORICAL SERIES
CURRENT AND EXPECTED COMPONENTS

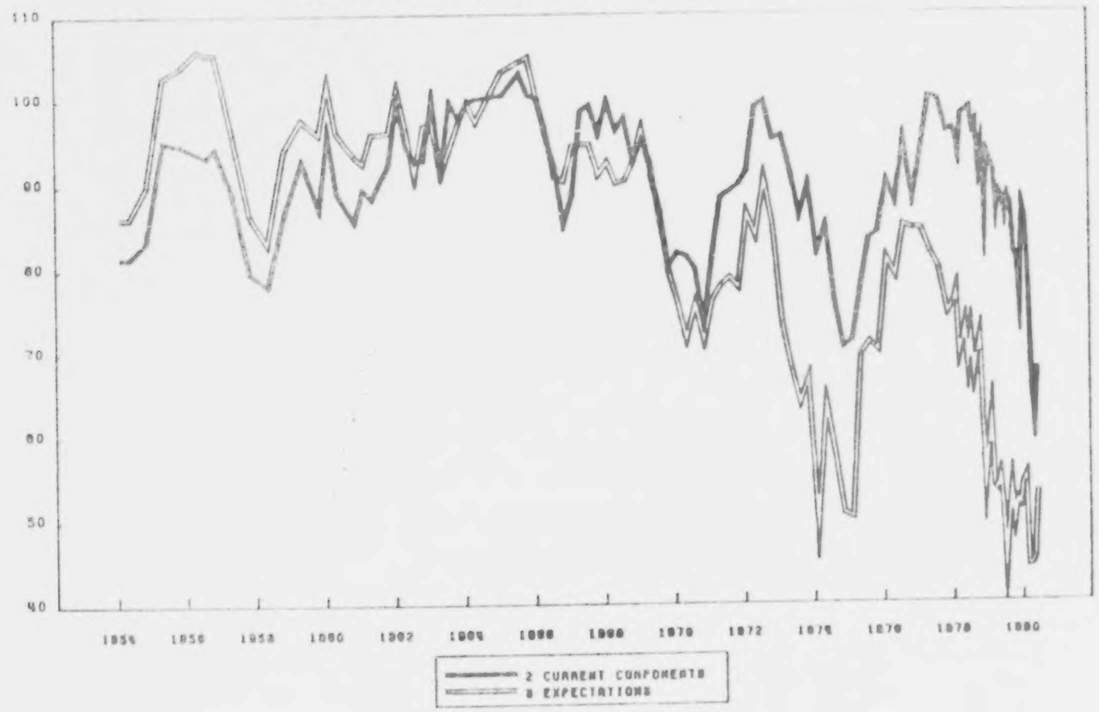

TABLE 3

COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT **

DATE		1*	2*	3*	4*	5*	CURRENT (1,5)	EXPECTED (2,3,4)
FEBRUARY	1976	103	124	118	79	128	90.2	81.0
MAY	1976	100	118	120	76	124	87.5	78.9
AUG-SEPT.	1976	105	119	127	92	139	95.1	84.9
NOV-DEC.	1976	96	115	117	105	129	87.9	84.5
FEBRUARY	1977	99	121	115	97	141	93.6	84.5
MAY	1977	108	115	118	92	149	100.0	81.8
AUG-SEPT.	1977	107	116	115	86	149	99.7	79.8
NOV-DEC.	1977	107	107	104	84	139	95.9	74.5
JANUARY	1978	105	114	106	80	142	96.2	75.7
FEBRUARY	1978	106	109	108	89	139	95.4	77.1
MARCH	1978	100	107	91	77	140	93.2	69.5
APRIL	1978	104	112	98	71	148	97.9	71.1
MAY	1978	105	111	99	79	147	98.2	73.0
JUNE	1978	107	102	97	71	146	98.4	68.1
JULY	1978	108	111	105	69	146	98.7	71.9
AUGUST	1978	102	112	82	70	145	96.1	67.0
SEPTEMBER	1978	109	108	96	71	140	96.9	69.7
OCTOBER	1978	96	104	103	77	138	91.2	71.6
NOVEMBER	1978	106	105	74	67	135	94.1	62.8
DECEMBER	1978	95	97	61	53	123	85.2	53.7
JANUARY	1979	100	99	72	58	138	93.3	58.4
FEBRUARY	1979	99	98	75	71	138	92.2	62.2
MARCH	1979	96	99	57	53	138	91.2	53.7
APRIL	1979	85	90	63	56	134	85.9	53.3
MAY	1979	91	95	58	62	136	88.7	54.9
JUNE	1979	92	91	54	55	134	88.2	51.4
JULY	1979	89	92	39	40	130	85.7	44.2
AUGUST	1979	95	98	46	48	131	88.2	49.3
SEPTEMBER	1979	90	98	60	51	133	87.1	53.6
OCTOBER	1979	82	96	48	49	126	81.6	49.5
NOVEMBER	1979	86	97	52	54	120	80.9	52.0
DECEMBER	1979	81	99	52	50	112	75.7	51.5
JANUARY	1980	96	106	58	47	127	87.1	54.1
FEBRUARY	1980	85	99	55	60	134	85.5	54.9
MARCH	1980	76	92	38	41	116	77.3	44.3
APRIL	1980	73	94	32	45	94	65.8	44.4
MAY	1980	79	100	31	44	77	61.7	45.3
JUNE	1980	78	101	43	63	93	67.8	53.1

PERSONAL FINANCIAL ATTITUDES
1* BETTER OR WORSE OFF THAN A YEAR AGO
2* EXPECT TO BE BETTER OR WORSE OFF IN A YEAR
EXPECTED BUSINESS CONDITIONS
3* NEXT 12 MONTHS
4* NEXT 5 YEARS
MARKET CONDITIONS
5* BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

**PERCENT SAYING "GOOD TIMES" (OR "BETTER"), MINUS PERCENT SAYING "BAD TIMES" (OR "WORSE"). PLUS 100.

CHART 4 - RECENT CHANGES

CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

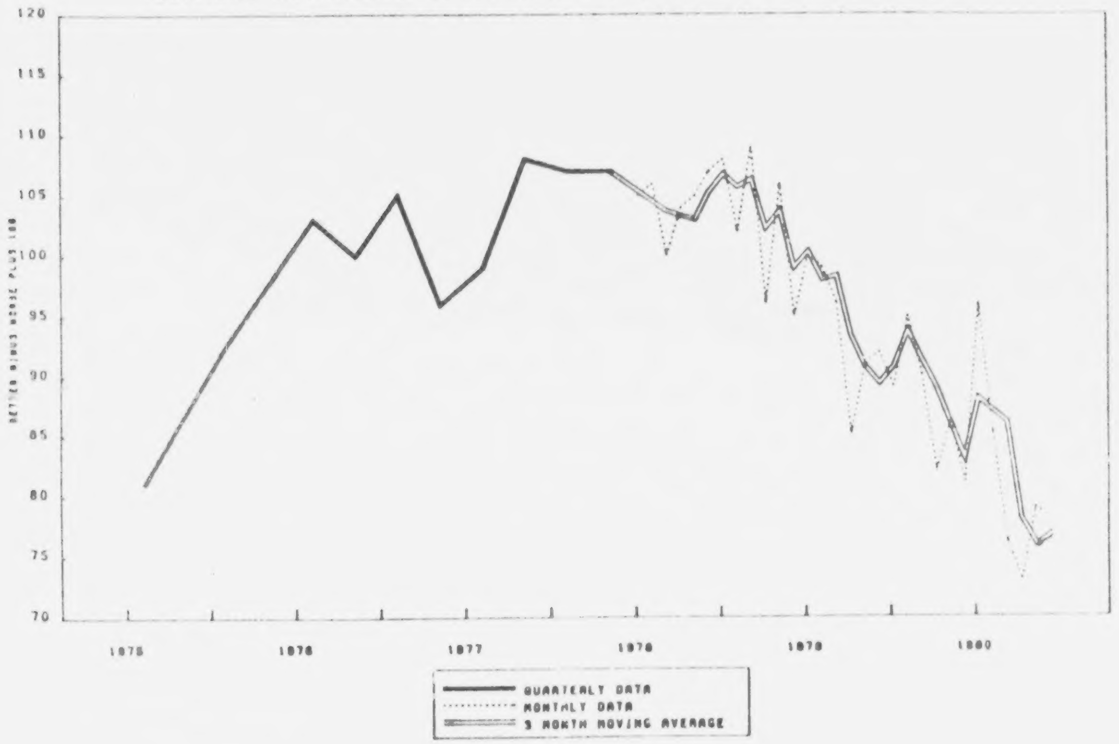

CHART 4 - HISTORICAL SERIES

CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

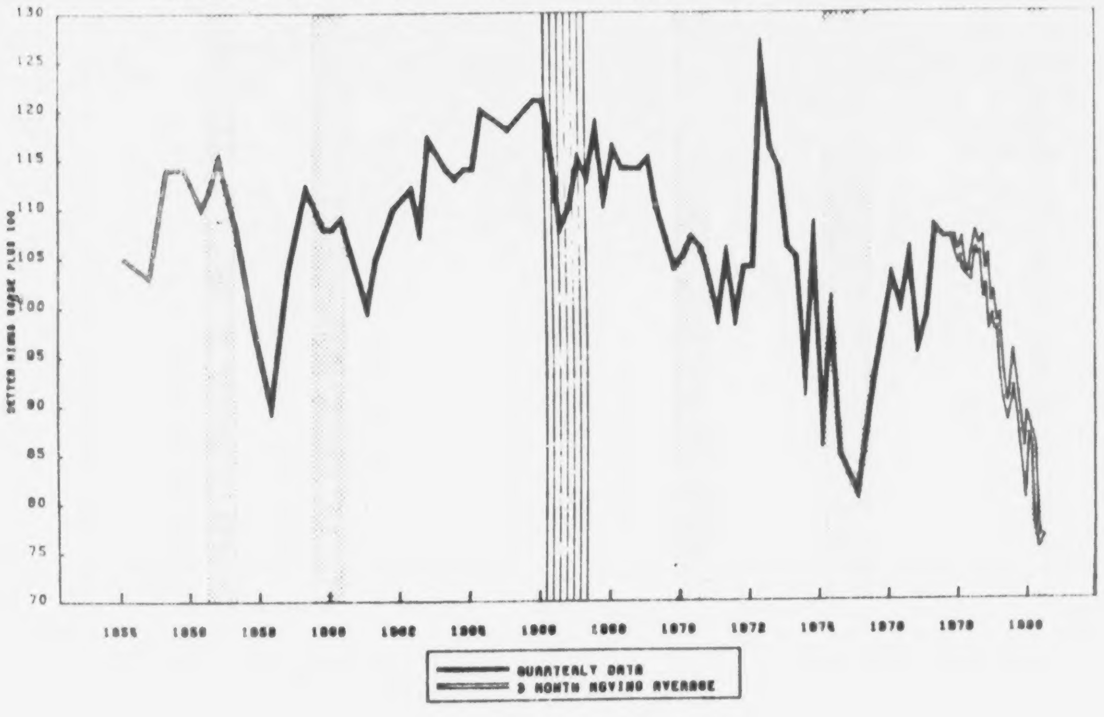

TABLE 4

CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

	June 1979	July 1979	Aug. 1979	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980
BETTER OFF	34%	31%	33%	31%	28%	30%	28%	34%	30%	24%	24%	26%	25%
SAME	24	27	28	28	26	25	26	28	25	28	25	26	26
WORSE OFF	42	41	38	41	45	44	45	38	45	48	51	47	47
DK,NA	*	1	1	*	1	1	1	*	*	*	*	1	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1058	1173	1212	946	1167	1327	850	769	1019	707	719	703	688

The question was: "We are interested in how people are getting along financially these days. Would you say that you (and your family living there) are better off or worse off financially than you were a year ago?"

* : Less than half of one percent.

CHART 5 - RECENT CHANGES

REASONS FOR FINANCIAL SITUATION COMPARED TO A YEAR AGO

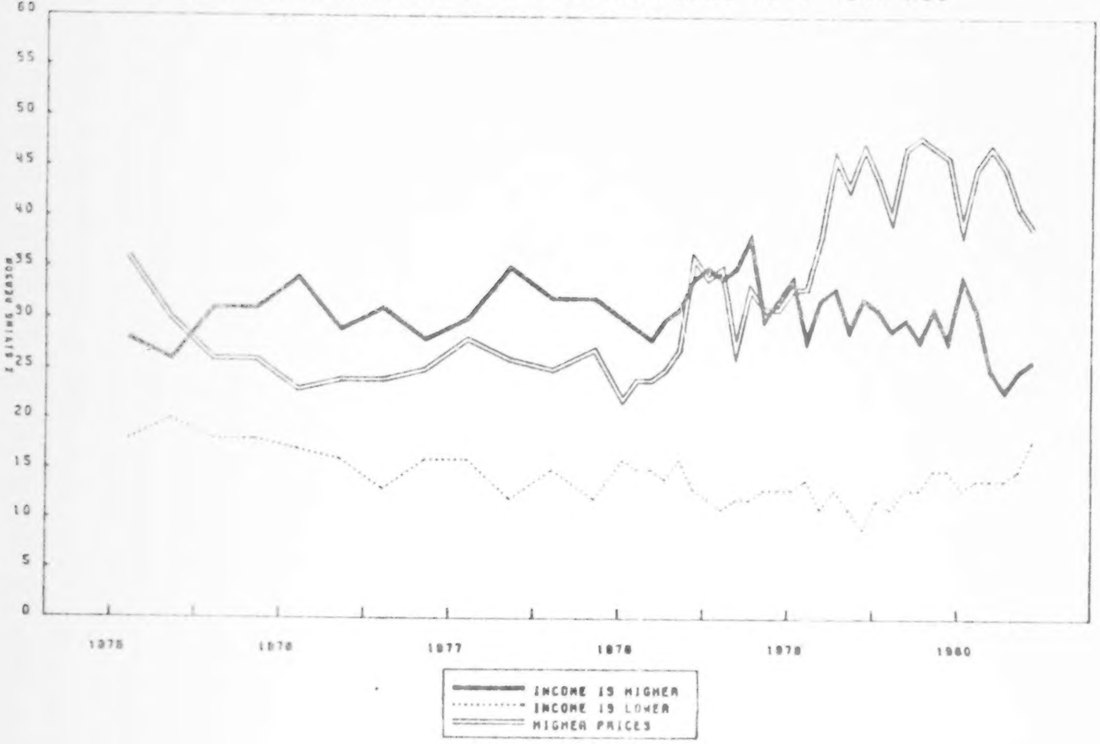

TABLE 5

SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

	June 1979	July 1979	Aug. 1979	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980
BETTER OFF THAN YEAR AGO:													
Income is higher	32%	31%	29%	30%	28%	31%	27%	34%	31%	25%	23%	25%	26%
WORSE OFF THAN YEAR AGO:													
Income is lower	9	12	11	13	13	15	14	13	14	14	14	15	18
Higher prices	47	44	40	47	48	47	44	39	45	47	45	41	39

Responses to the query: "Why do you say so?" following the question on Table 4.

CHART 6 - RECENT CHANGES
EXPECTED CHANGE IN FINANCIAL SITUATION

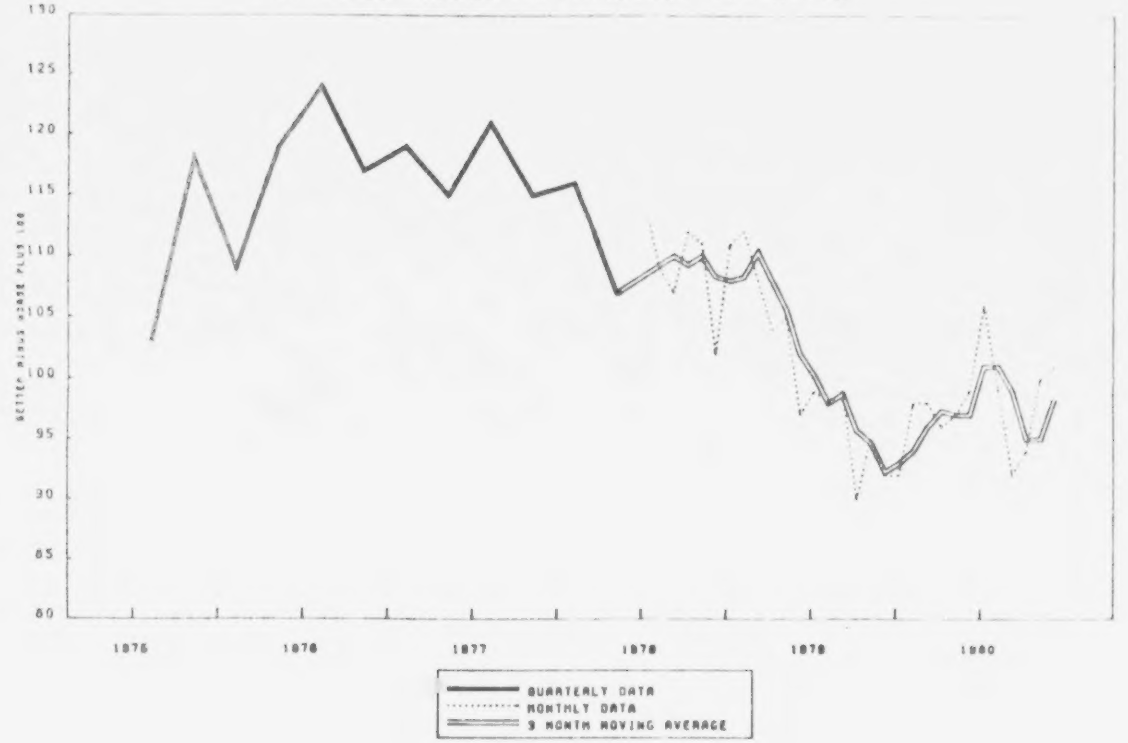

CHART 6 - HISTORICAL SERIES
EXPECTED CHANGE IN FINANCIAL SITUATION

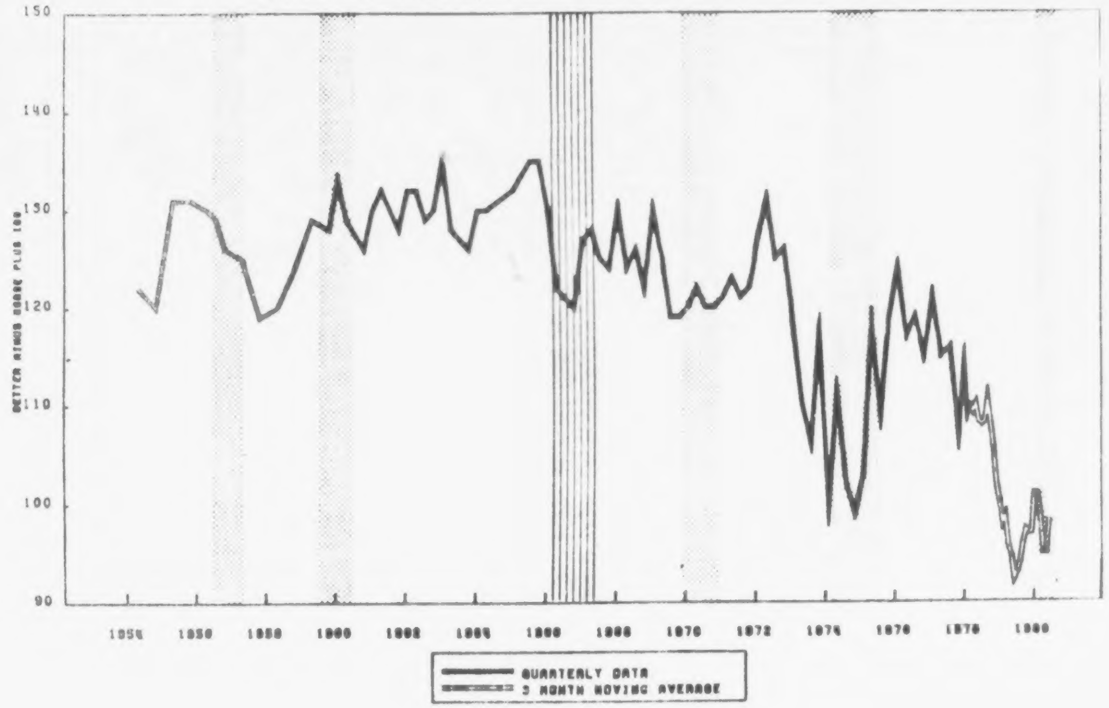

TABLE 6

EXPECTED CHANGE IN FINANCIAL SITUATION

	June 1979	July 1979	Aug. 1979	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980
BETTER OFF	21%	20%	23%	24%	24%	21%	26%	28%	25%	20%	25%	27%	26%
SAME	46	48	50	47	45	53	45	46	45	47	42	43	46
WORSE OFF	30	28	25	26	28	24	25	22	26	28	31	27	25
DK,NA	3	4	2	3	3	2	4	4	4	5	2	3	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1058	1173	1212	946	1167	1327	850	769	1019	707	719	703	688

The question was: "Now looking ahead--do you think that a year from now you (and your family living there) will be better off financially, or worse off, or just about the same as now?"

CHART 7 - RECENT CHANGES

TREND IN PERSONAL FINANCIAL SITUATION

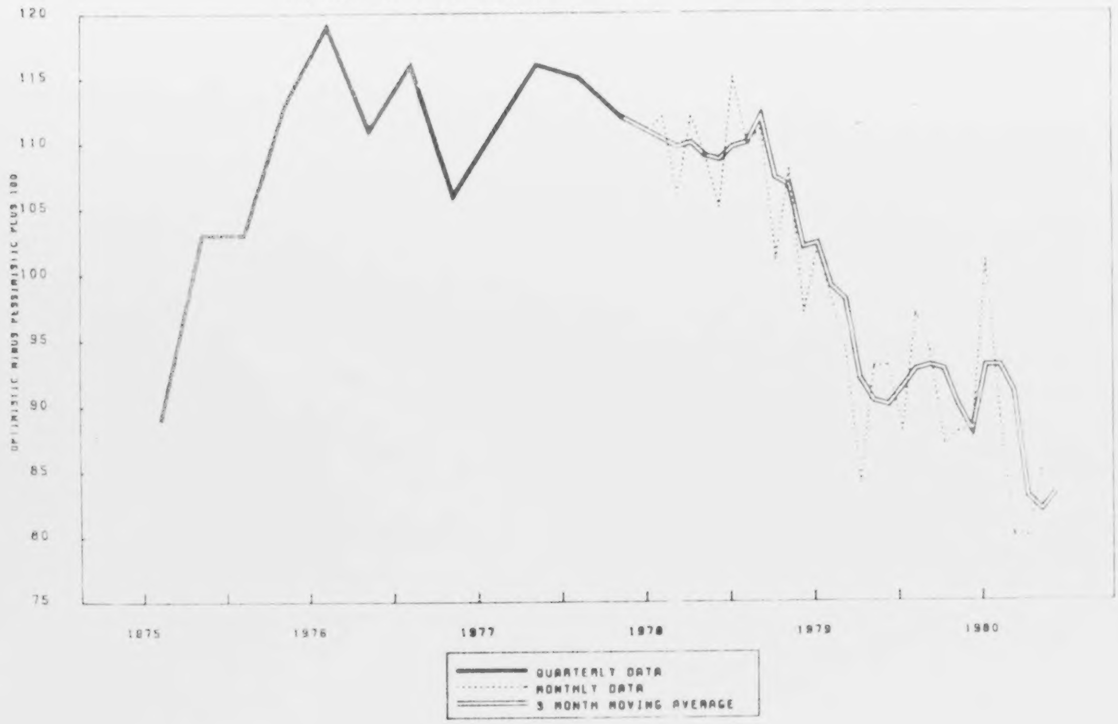

CHART 7 - HISTORICAL SERIES

TREND IN PERSONAL FINANCIAL SITUATION

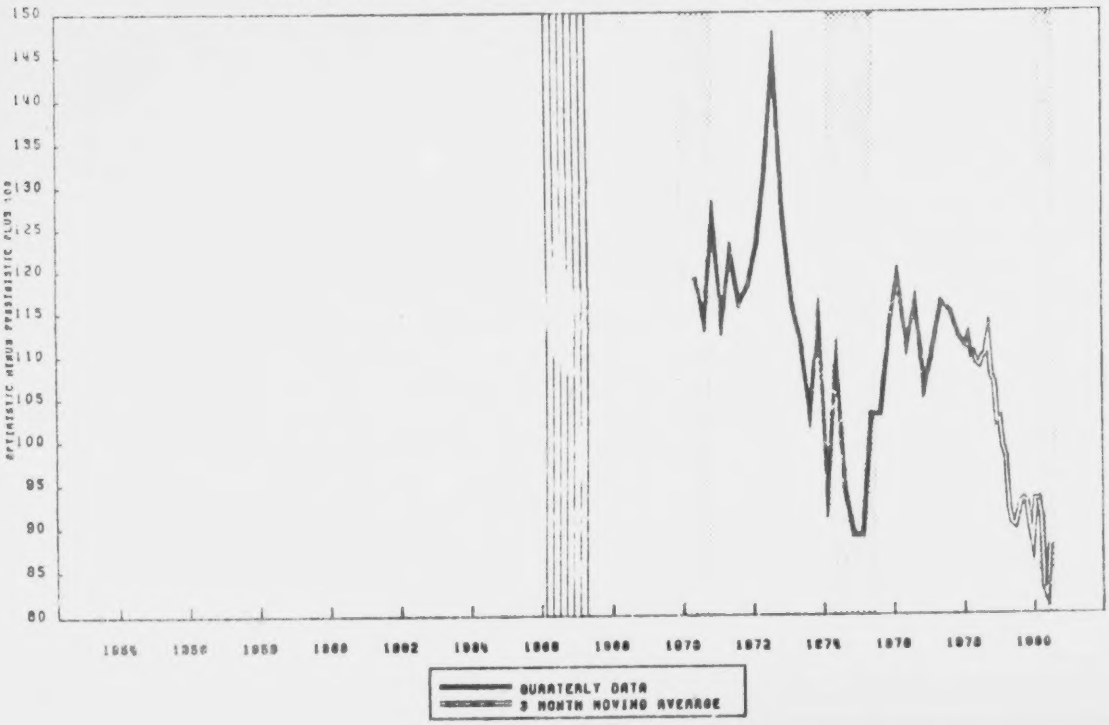

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TABLE 7

TREND IN PERSONAL FINANCIAL SITUATION

	June 1979	July 1979	Aug. 1979	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980
PERSONAL FINANCIAL PROGRESS:													
Continuous increase (a)	11%	11%	13%	11%	11%	11%	12%	15%	13%	7%	8%	11%	10%
Intermittant increase (b)	22	19	21	20	18	19	18	21	19	16	16	17	16
Remained unchanged (c)	13	16	17	16	14	16	14	16	12	15	14	12	14
Intermittant decline (d)	21	24	22	21	23	25	23	20	25	27	23	27	27
Continuous decline (e)	19	17	16	16	19	16	18	14	18	17	21	16	14
Mixed change (f)	10	9	9	13	12	10	11	10	10	13	16	14	15
DK,NA	4	4	2	3	3	3	4	4	3	5	2	3	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1058	1173	1212	946	1167	1327	850	769	1019	707	719	703	688

Combination of the responses to the questions on Tables 4 and 6.

Key: (a) Better off financially than a year ago/Better off a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

TABLE 8

EXPECTED INCOME CHANGES DURING THE NEXT 12 MONTHS

	June 1979	July 1979	Aug. 1979	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980
EXPECT INCREASE:													
1-4%	na	na	5%	na	na	5%	na	na	6%	na	5%	6%	5%
5%			7			8			8		8	7	7
6-9%			17			14			14		14	12	13
10-24%			19			19			20		23	24	25
25% or more			6			6			9		7	6	8
DK how much up			8			8			7		7	8	8
EXPECT SAME			27			28			24		25	22	21
EXPECT DOWN			8			8			10		9	13	12
DK,NA			3			4			2		2	2	1
TOTAL			100%			100%			100%		100%	100%	100%
CASES			1212			1327			1019		719	703	688

The questions were: "During the next 12 months, do you expect your (family) income to be higher or lower than during the past year?" and "By about what percent do you expect your (family) income to increase during the next 12 months?"

na : Not available.

CHART 9 - RECENT CHANGES

INCOME OR PRICES UP MORE DURING THE LAST YEAR

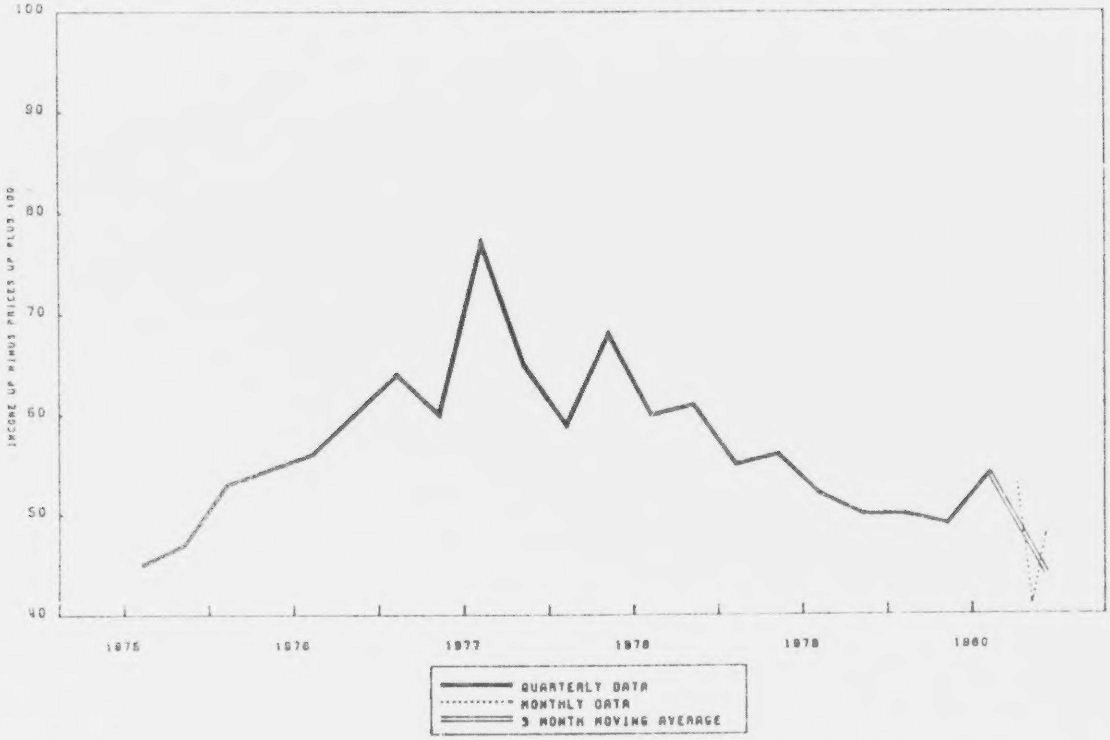

TABLE 9

INCOME OR PRICES UP MORE DURING THE LAST YEAR

	June 1979	July 1979	Aug. 1979	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980
INCOME UP MORE	na	na	12%	na	na	12%	na	na	13%	na	11%	8%	11%
INCOME UP SAME			25			23			27		22	22	25
PRICES UP MORE			61			63			59		66	67	63
DK,NA			2			2			1		1	3	1
TOTAL			100%			100%			100%		100%	100%	100%
CASES			1212			1327			1019		719	703	638

The question was: "During the last year or two, would you say that your (family) income went up more than prices, went up about the same as prices, or went up less than prices?"

na : Not available.

CHART 10 - RECENT CHANGES
INCOME OR PRICES UP MORE NEXT YEAR

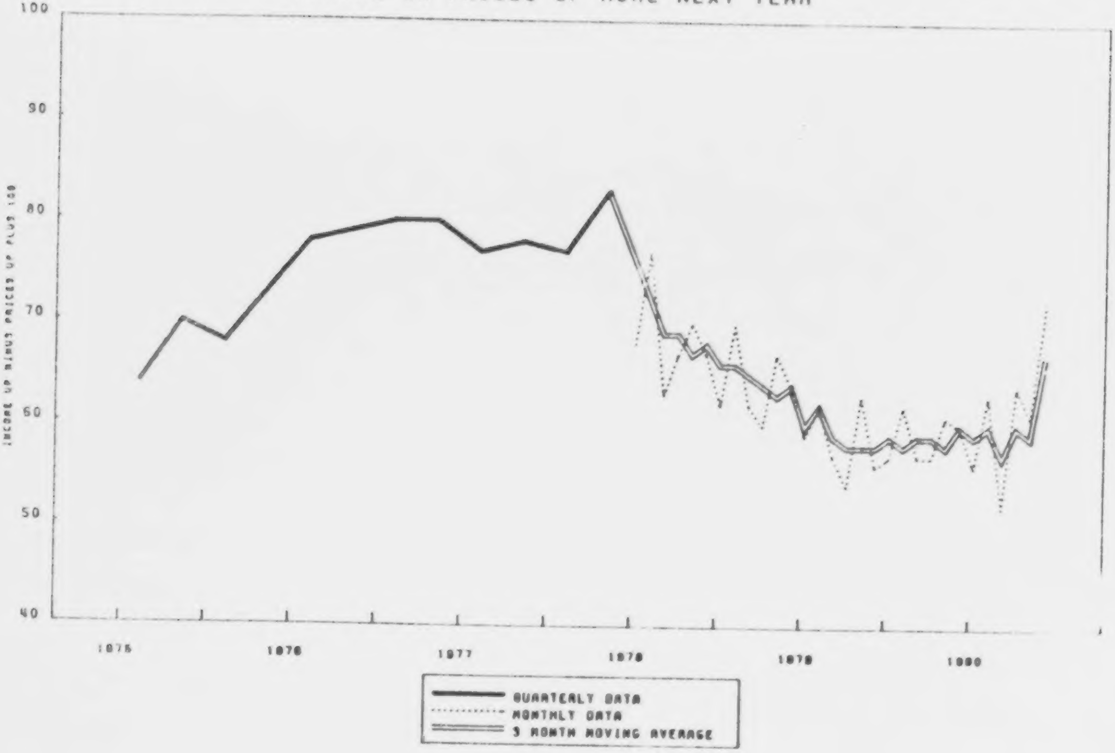

TABLE 10

EXPECT INCOME OR PRICES UP MORE NEXT YEAR

	June 1979	July 1979	Aug. 1979	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980
INCOME UP MORE	9%	11%	12%	10%	9%	10%	11%	8%	14%	8%	12%	12%	14%
INCOME UP SAME	35	32	34	34	35	38	34	36	33	32	37	34	41
PRICES UP MORE	53	54	50	53	52	49	51	52	51	56	48	51	42
DK,NA	3	3	4	3	4	3	4	4	2	4	3	3	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1058	1173	1212	946	1167	1327	850	769	1019	707	719	703	688

The question was: "How about the next year or two--do you expect that your (family) income will go up more than prices will go up, about the same, or less than prices will go up?"

CHART 11 - RECENT CHANGES
TREND IN INCOME AND PRICE COMPARISON

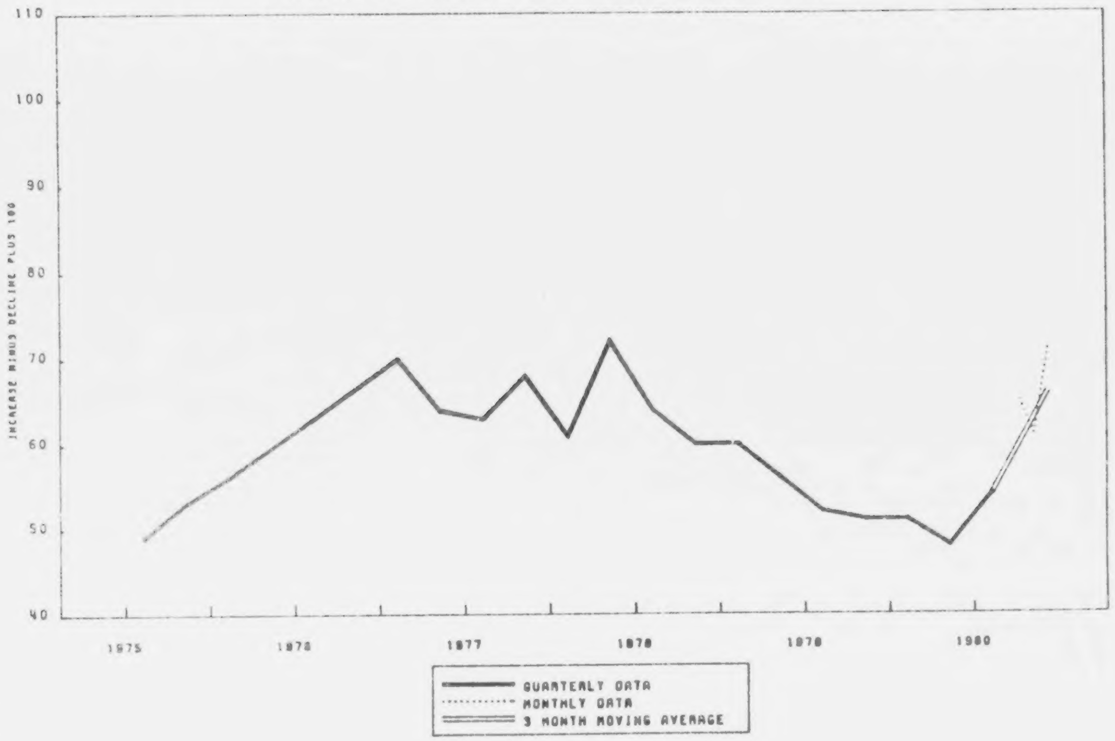

TABLE 11

TREND IN INCOME AND PRICES COMPARISON

	June 1979	July 1979	Aug. 1979	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980
REAL INCOME PROGRESS:													
Continuous increase (a)	na	na	4%	na	na	4%	na	na	7%	na	4%	2%	5%
Intermittant increase (b)			8			8			8		8	9	8
Remained unchanged (c)			15			14			16		13	11	16
Intermittant decline (d)			20			22			19		24	22	26
Continuous decline (e)			41			42			42		41	44	35
Mixed change (f)			7			6			6		6	6	7
DK,NA			5			4			2		4	6	3
TOTAL			100%			100%			100%		100%	100%	100%
CASES			1212			1327			1019		719	--	

Combination of the responses to the questions on Tables 9 and 10.

Key: (a) Income up more last year/Income up more next year
(b) Income up more/Same or Income up same/More
(c) Income up same/Same
(d) Prices up more/Same or Prices up same/More
(e) Prices up more/More
(f) Income up more/Prices up more or Prices up more/Income up more

na : Not available.

CHART 12 - RECENT CHANGES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

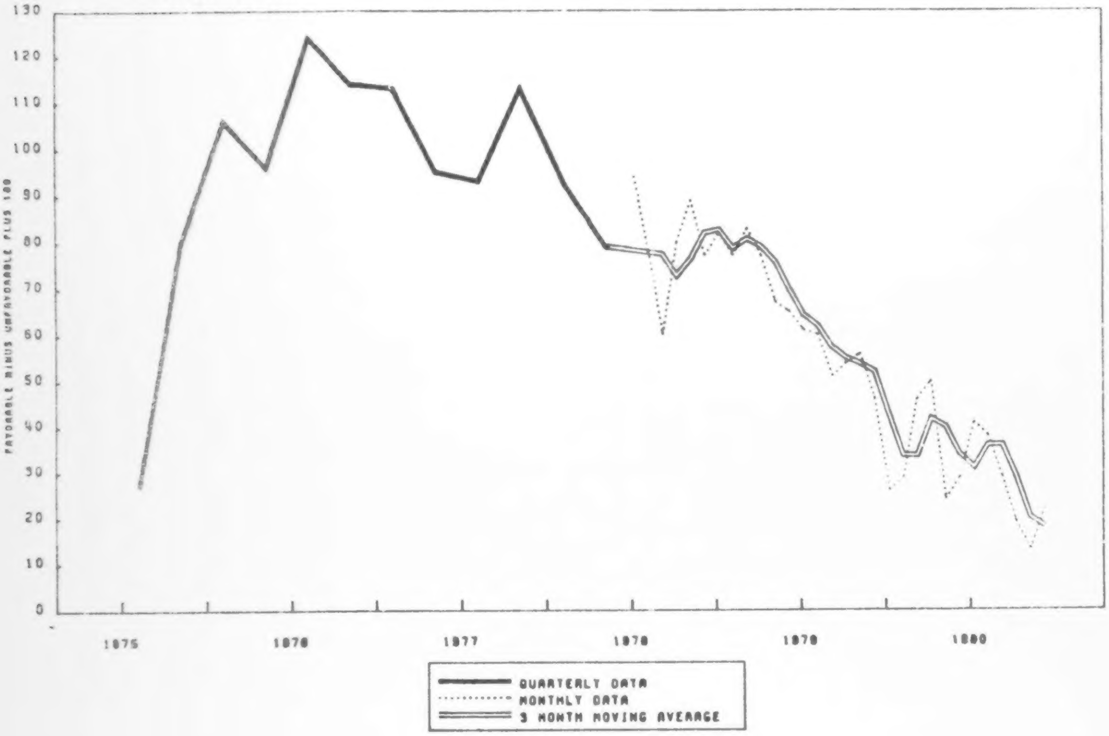

CHART 12 - HISTORICAL SERIES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

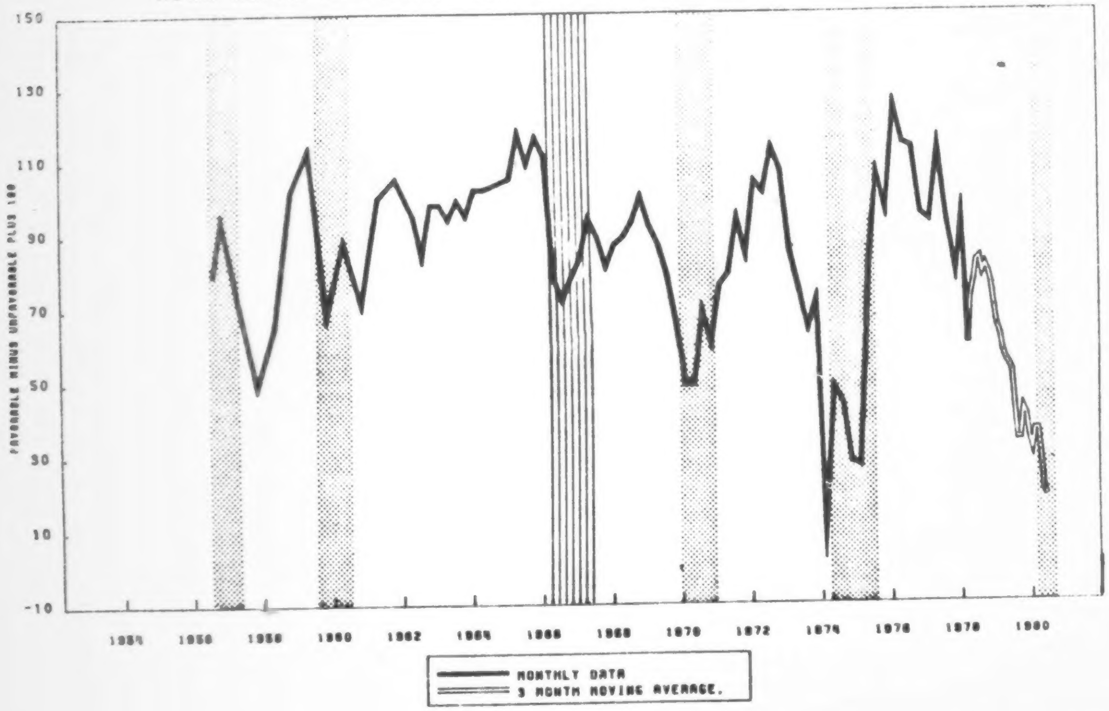

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TABLE 12

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS+

	June 1979	July 1979	Aug. 1979	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980
FAVORABLE NEWS	13%	12%	13%	11%	13%	11%	11%	17%	14%	11%	10%	10%	15%
UNFAVORABLE NEWS	67	86	89	65	63	87	79	76	76	82	91	97	93
NO MENTIONS	43	33	34	47	47	38	41	39	41	41	35	30	29

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : Adds to more than 100% due to multiple mentions.

TABLE 13

SELECTED ITEMS OF NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

	June 1979	July 1979	Aug. 1979	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980
FAVORABLE NEWS:													
Government; elections	1%	1%	1%	1%	1%	1%	*	*	1%	1%	1%	*	1%
Employment increases	1	2	1	1	1	1	*	2	1	1	*	*	1
Plant openings	5	4	5	3	3	2	3	4	4	2	2	1	2
Consumer demand high	*	1	1	1	1	*	1	1	1	1	1	*	1
Prices are low	*	1	*	*	1	1	*	1	1	*	1	1	1
Credit is easy	*	*	*	*	*	*	1	1	1	*	*	5	7
UNFAVORABLE NEWS:													
Government; elections	3	3	3	3	2	3	3	4	3	3	3	4	2
Employment decreases	3	6	9	8	6	7	8	7	7	5	9	23	28
Plant closings	11	10	12	9	9	9	13	12	13	9	13	17	22
Consumer demand low	4	5	10	6	7	6	10	8	10	8	9	10	9
Prices are high	16	20	20	13	13	16	10	16	14	17	17	11	8
Credit is tight	3	4	5	6	9	20	14	7	9	22	24	16	9
Energy crisis	12	16	11	4	3	5	4	4	4	1	1	*	1

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

* : Less than half of one percent.

CHART 14 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

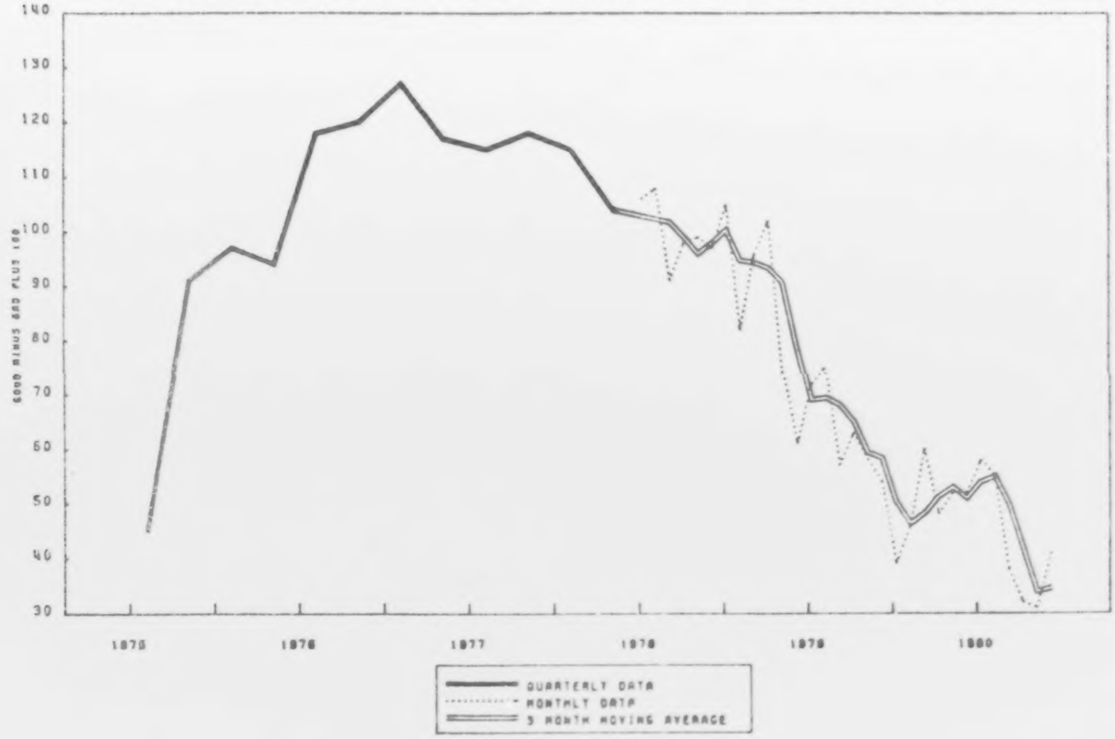

CHART 14 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

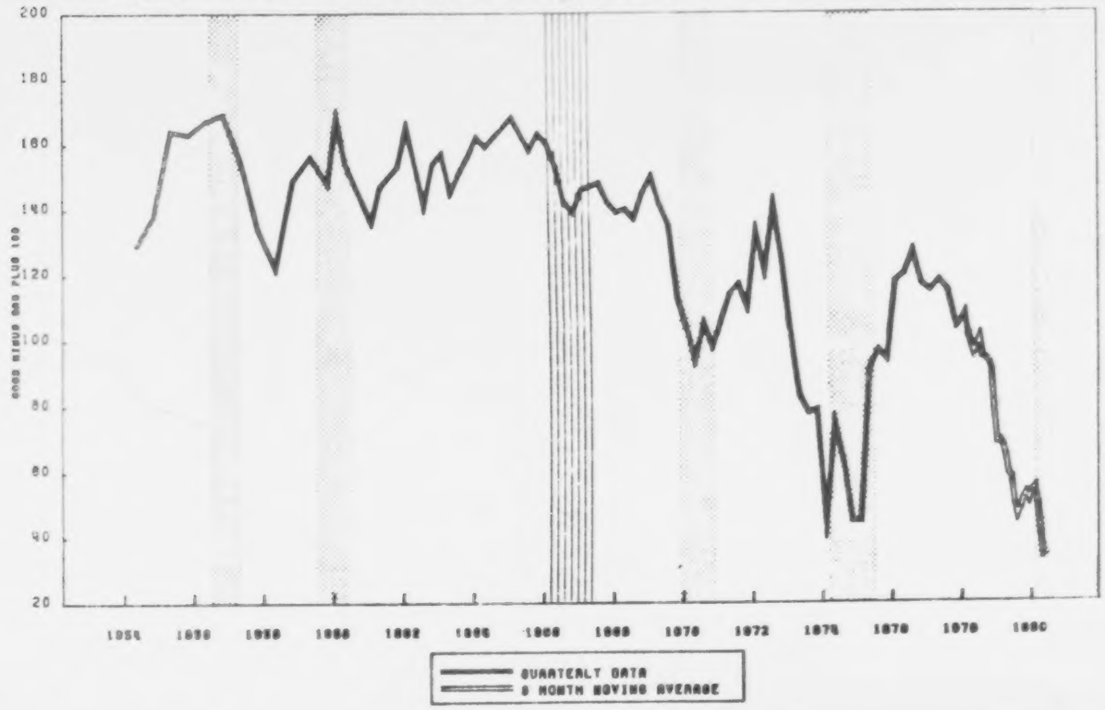

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TABLE 14

BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS

	June 1979	July 1979	Aug. 1979	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980
GOOD TIMES	20%	13%	17%	23%	18%	20%	19%	24%	22%	14%	11%	13%	18%
UNCERTAIN; GOOD & BAD	2	1	3	3	1	3	2	1	1	1	1	1	1
BAD TIMES	66	74	71	63	70	68	69	66	67	76	79	82	75
DON'T KNOW	5	4	5	5	5	4	4	4	5	4	4	3	4
NOT ASCERTAINED	7	8	4	6	6	5	6	5	5	5	5	1	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1058	1173	1212	946	1167	1327	850	769	1019	707	719	703	688

The question was: "Now turning to business conditions in the country as a whole--do you think that during the next 12 months we'll have good times financially, or bad times or what?"

CHART 15 - RECENT CHANGES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

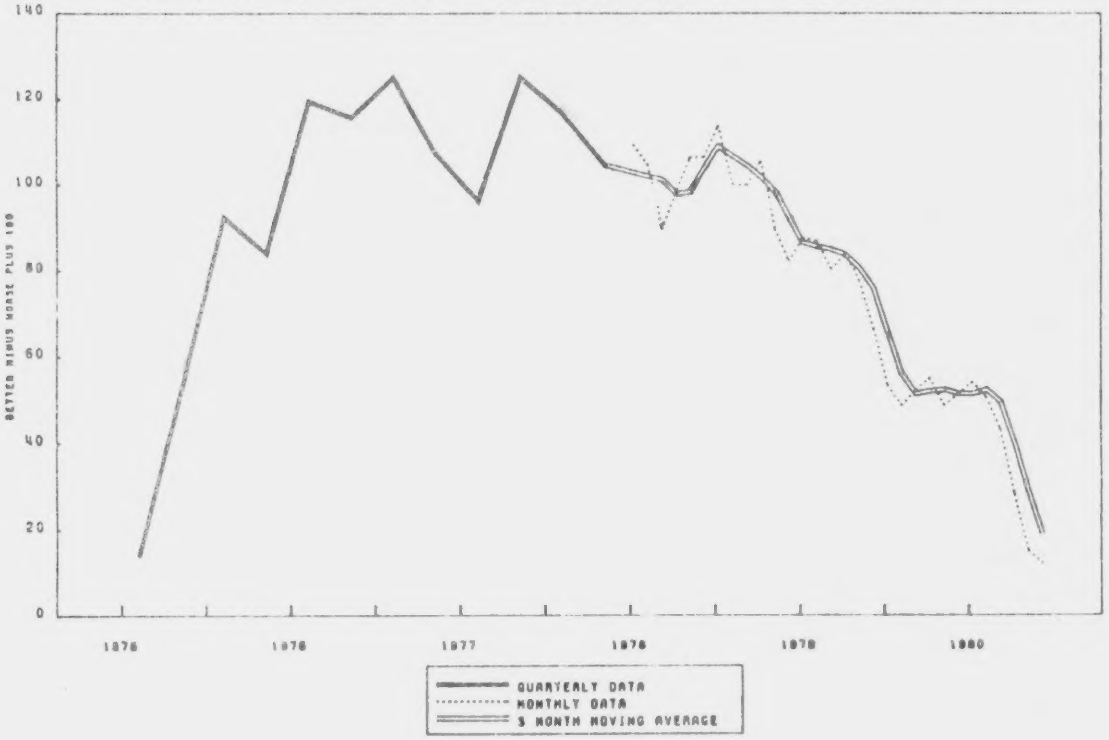

CHART 15 - HISTORICAL SERIES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

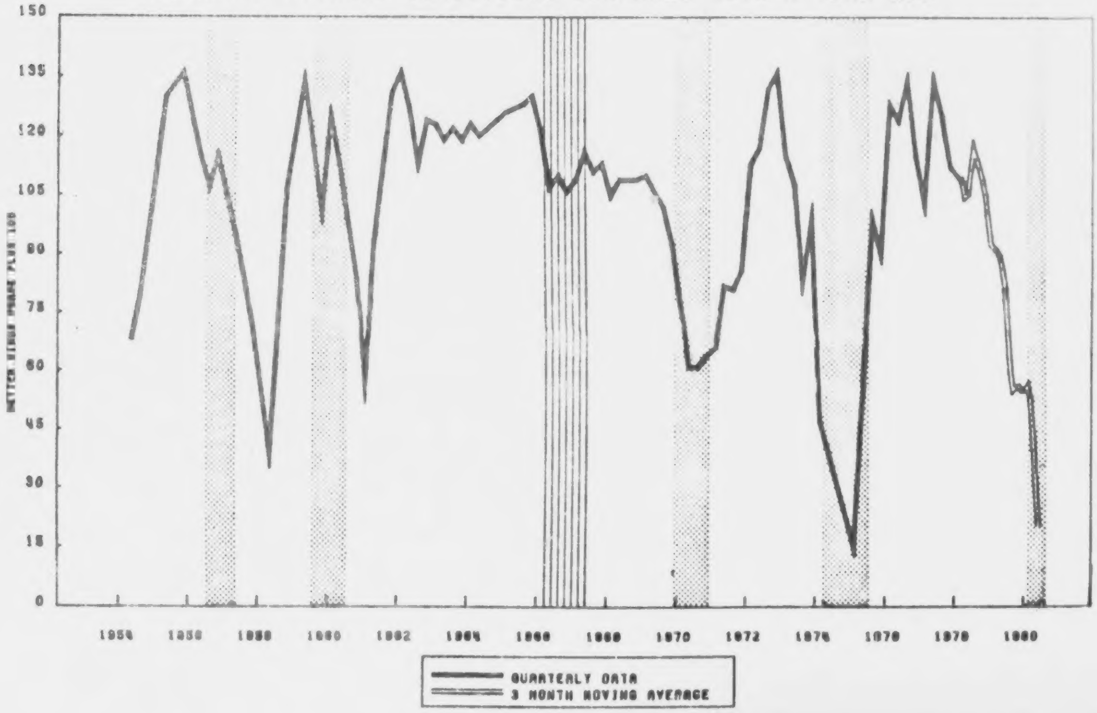

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TABLE 15

CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

	June 1979	July 1979	Aug. 1979	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980
BETTER NOW	26%	21%	20%	22%	22%	19%	21%	21%	21%	15%	10%	6%	4%
SAME	14	10	10	9	11	13	12	14	10	12	10	4	5
WORSE NOW	56	65	68	66	63	66	65	62	67	69	79	90	90
DK,NA	4	4	2	3	4	2	2	3	2	4	1	*	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1058	1173	1212	946	1167	1327	850	769	1019	707	719	703	688

The question was: "Would you say that at the present time business conditions are better or worse than they were a year ago?"

* : Less than half of one percent.

CHART 16 - RECENT CHANGES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

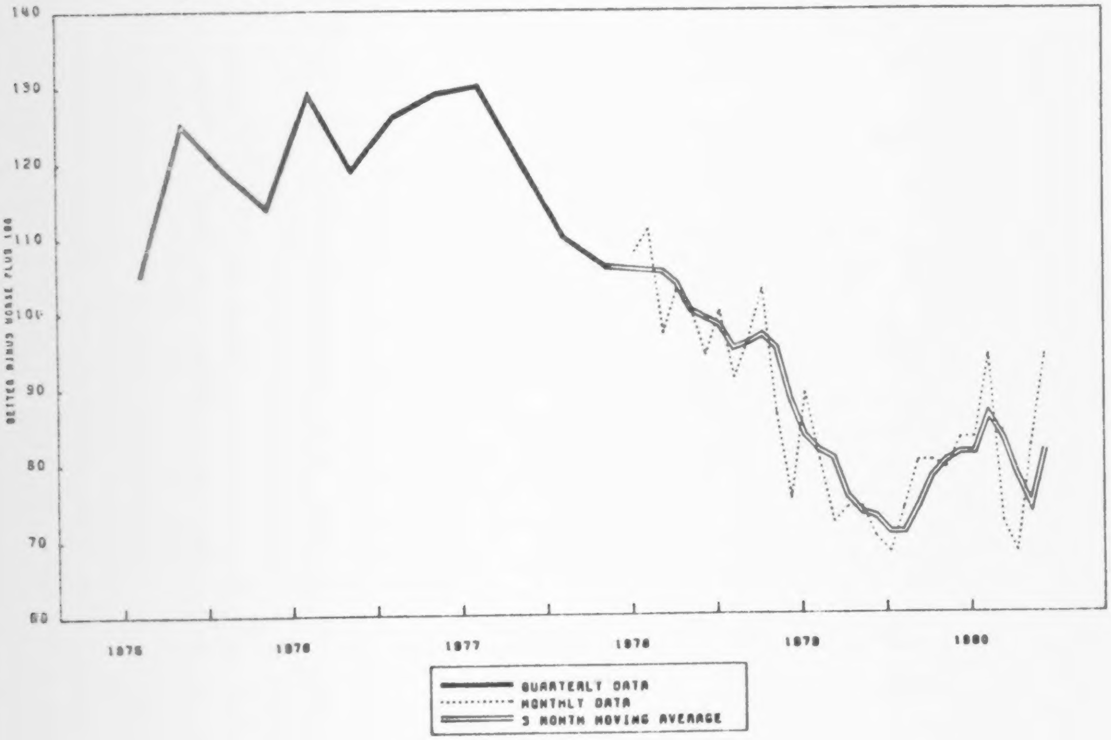

CHART 16 - HISTORICAL SERIES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

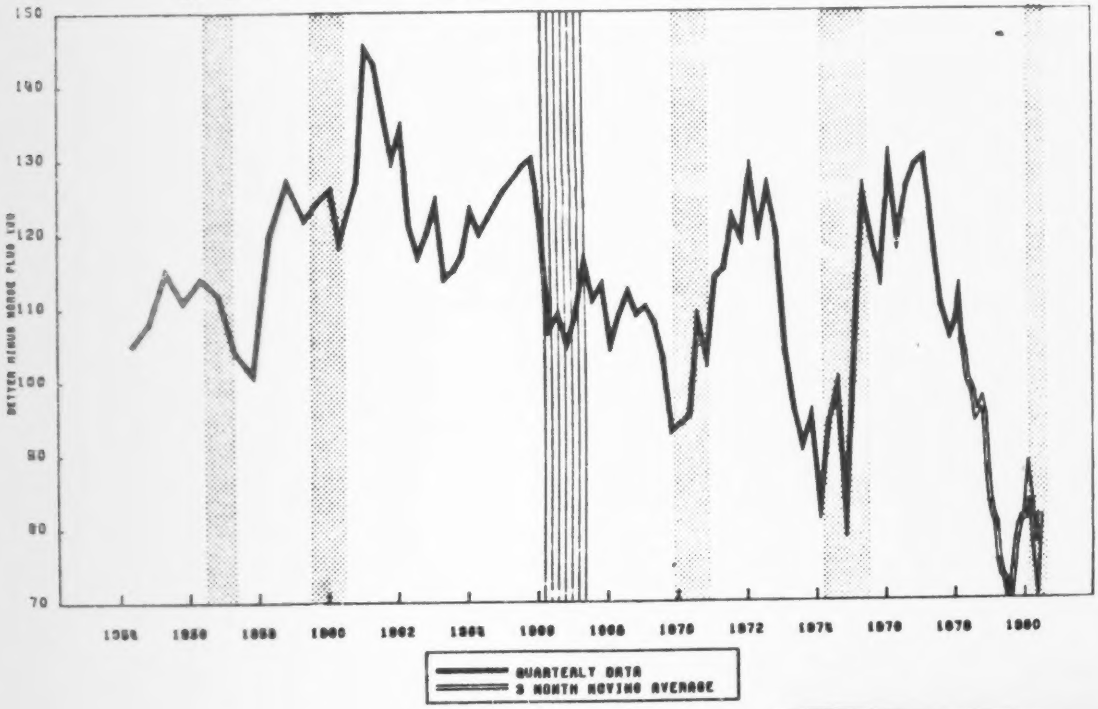

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TABLE 16

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

	June 1979	July 1979	Aug. 1979	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980
BETTER	12%	11%	13%	15%	15%	15%	17%	17%	21%	14%	14%	21%	26%
SAME	42	43	46	46	47	47	43	45	49	42	37	37	38
WORSE	42	43	39	35	35	36	36	35	27	42	46	39	32
DK,NA	4	3	2	4	3	2	4	3	3	2	3	3	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1058	1173	1212	946	1167	1327	850	769	1019	707	719	703	688

The question was: "And how about a year from now, do you expect that in the country as a whole business conditions will be better, or worse than they are at present, or just about the same?"

* : Less than half of one percent.

TABLE 17

REASONS FOR OPINIONS ABOUT CHANGES IN BUSINESS CONDITIONS IN A YEAR

	June 1979	July 1979	Aug. 1979	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980
FAVORABLE REASONS:													
Government; elections	na	na	6%	na	na	9%	na	na	11%	na	8%	11%	10%
Employment increases			1			1			3		2	1	2
Plant openings			1			1			1		*	1	1
Consumer demand higher			3			2			3		1	3	1
Prices lower			1			2			1		3	2	3
Credit easier			*			2			1		1	4	5
UNFAVORABLE REASONS:													
Government; elections			9			8			13		15	7	7
Employment decreases			6			6			4		9	11	10
Plant closings			2			2			1		2	2	2
Consumer demand lower			7			7			7		6	5	5
Prices higher			24			23			16		25	14	10
Credit tighter			2			7			3		12	6	4
Energy crisis			8			6			6		3	2	1

The question was: "Why do you expect business conditions to be better/the same/worse a year from now?" following the question on Table 16.

na : Not available.

* : Less than half of one percent.

CHART 18 - RECENT CHANGES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

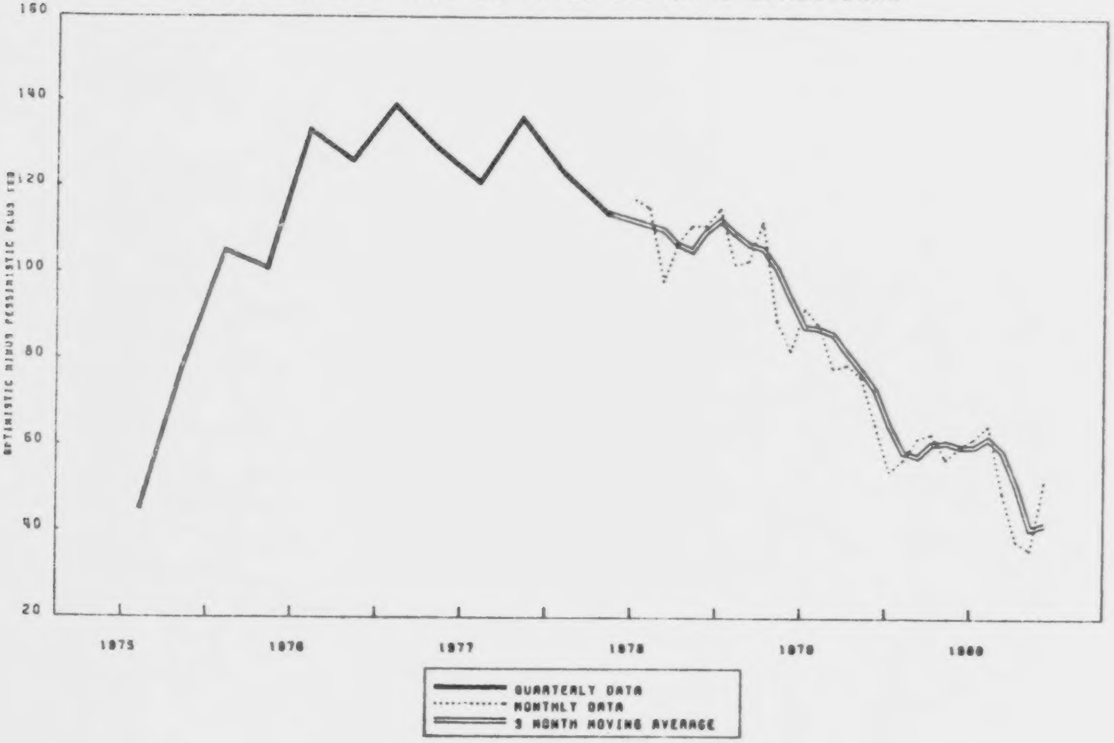

CHART 18 - HISTORICAL SERIES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

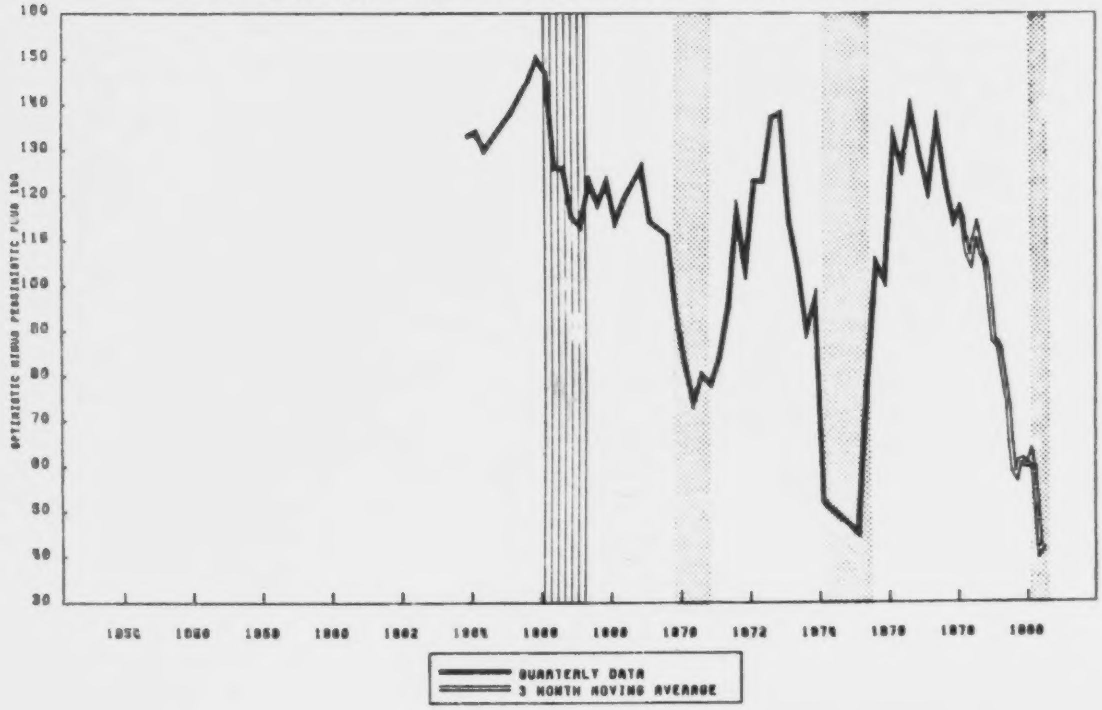

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TABLE 18

TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

	June 1979	July 1979	Aug. 1979	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980
TREND:													
Continuous increase (a)	6%	3%	4%	5%	7%	4%	5%	6%	8%	3%	4%	1%	1%
Intermittant increase (b)	13	13	13	14	12	12	12	10	12	9	6	5	4
Remained unchanged (c)	7	5	5	5	7	8	6	9	6	6	3	1	2
Intermittant decline (d)	27	29	30	30	31	30	29	30	33	31	32	34	35
Continuous decline (e)	27	32	32	28	26	29	28	24	22	32	41	36	30
Mixed change (f)	12	13	12	13	11	14	14	16	15	14	10	20	23
DK,NA	8	5	4	5	6	3	6	5	4	5	4	3	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1058	1173	1212	946	1167	1327	850	769	1019	707	719	703	688

Combination of the responses to the questions on Tables 15 and 16.

Key: (a) Better than a year ago/Better a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 19 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

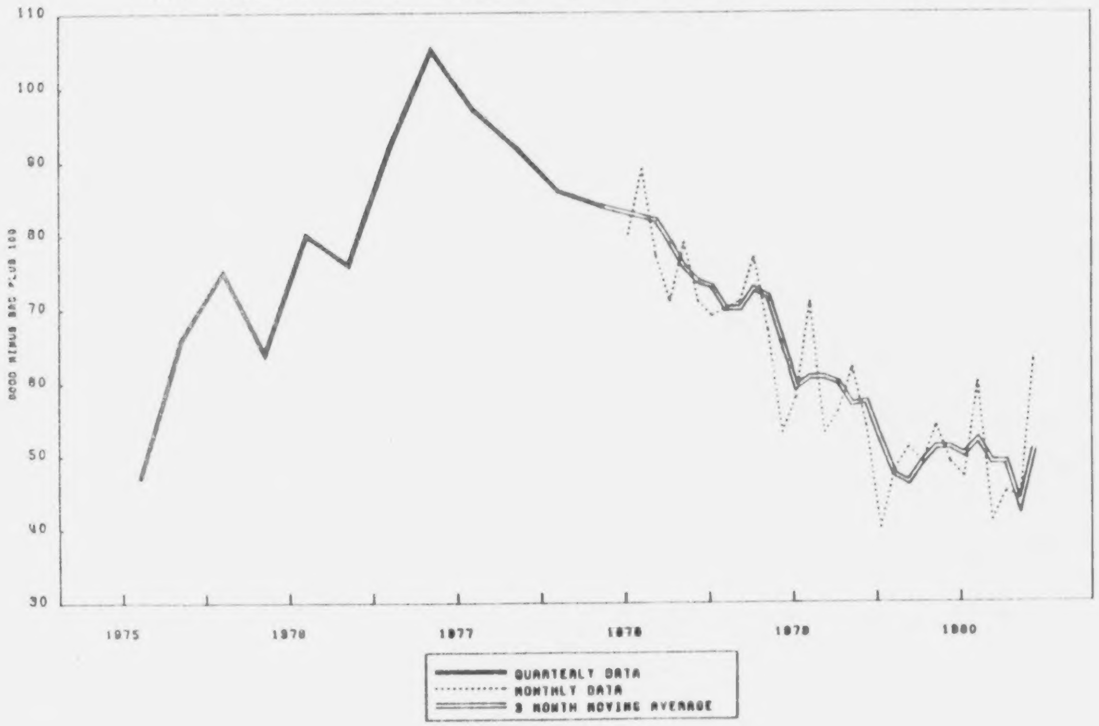

CHART 19 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

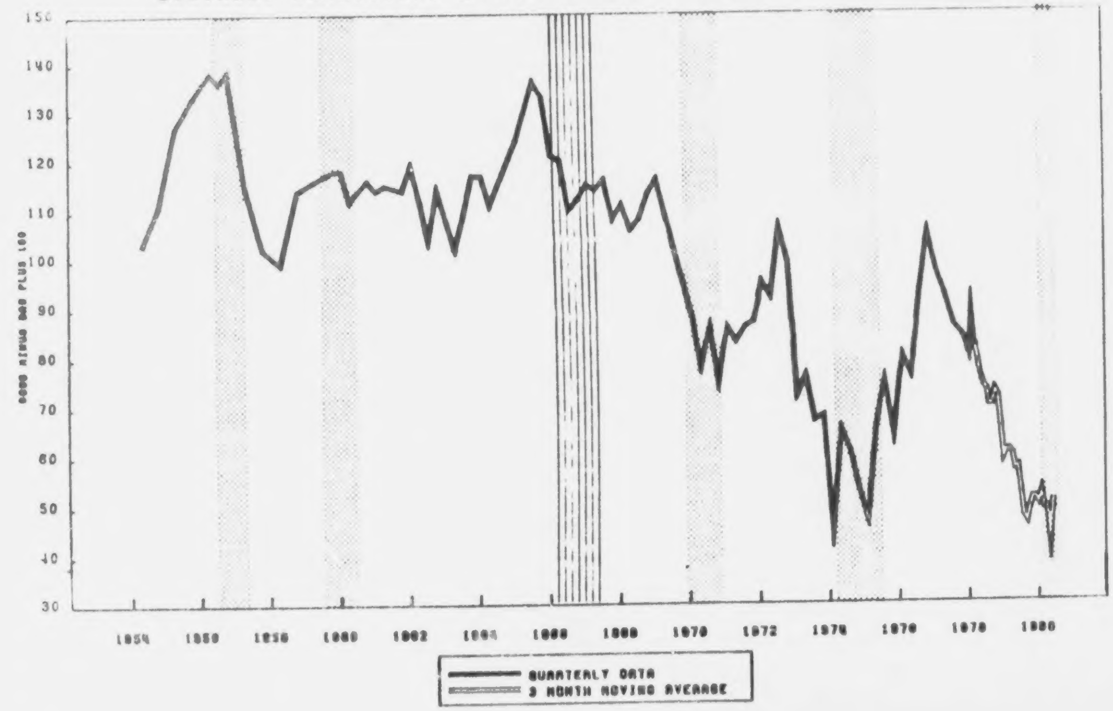

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TABLE 19

BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS

	June 1979	July 1979	Aug. 1979	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980
GOOD TIMES	15%	10%	14%	16%	16%	18%	15%	17%	21%	13%	14%	15%	22%
UNCERTAIN; GOOD & BAD	16	14	15	16	13	12	15	9	14	10	12	10	12
BAD TIMES	60	70	66	65	67	64	65	70	61	72	69	71	59
NOT ASCERTAINED	9	6	5	3	4	6	5	4	4	5	5	4	7
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1058	1173	1212	946	1167	1327	850	769	1019	707	719	703	688

The question was: "Looking ahead, which would you say is more likely--that in the country as a whole we'll have continuous good times during the next 5 years or so, or that we will have periods of widespread unemployment or depression, or what?"

CHART 20 - RECENT CHANGES
EXPECTED CHANGE IN UNEMPLOYMENT

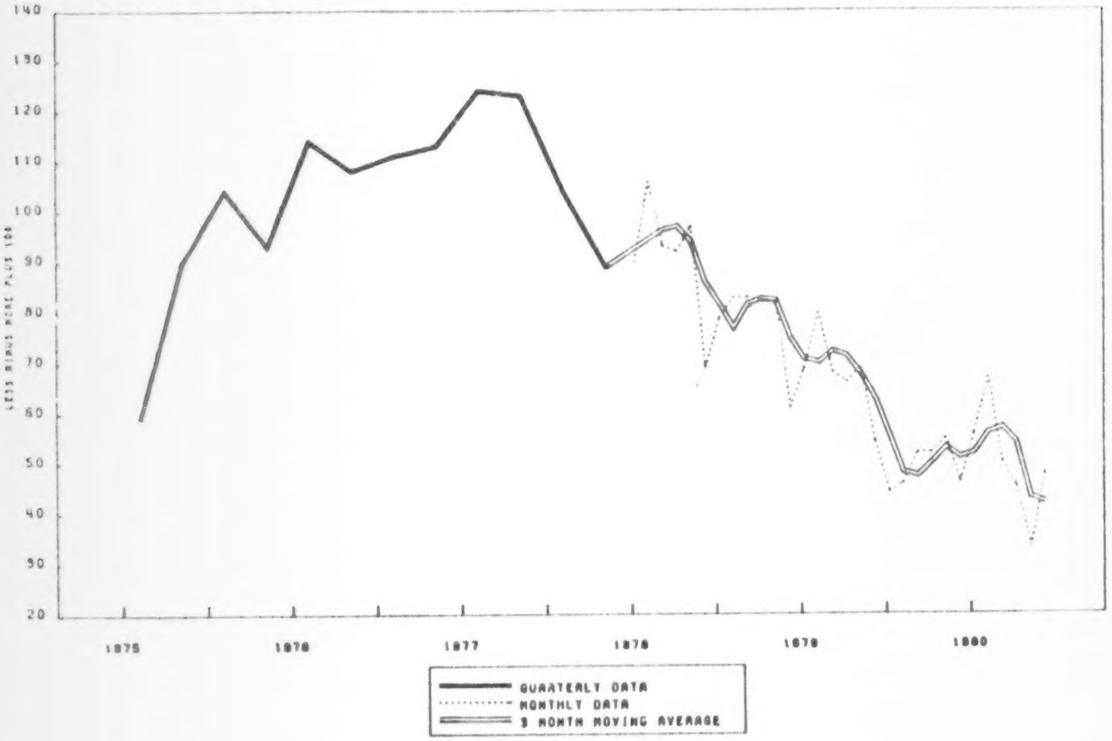

CHART 20 - HISTORICAL SERIES
EXPECTED CHANGE IN UNEMPLOYMENT

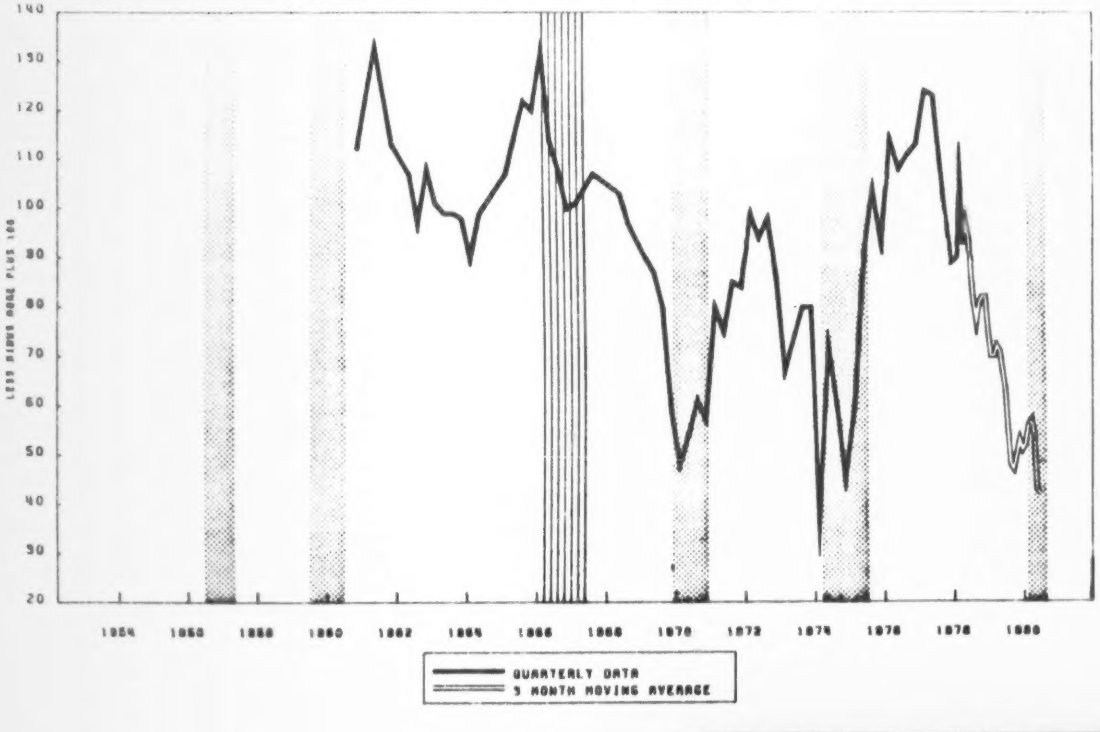

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TABLE 20

EXPECTED CHANGE IN UNEMPLOYMENT

	June 1979	July 1979	Aug. 1979	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980
LESS	6%	6%	7%	7%	7%	8%	8%	9%	13%	7%	7%	5%	11%
SAME	39	30	30	36	36	36	30	34	38	35	29	23	25
MORE	52	62	62	55	55	54	61	54	46	57	62	72	63
DK,NA	3	2	1	2	2	2	1	3	3	1	2	*	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1058	1173	1212	946	1167	1327	850	769	1019	707	719	703	688

The question was: "How about people out of work during the coming 12 months--do you think that there will be more unemployment than now, about the same, or less?"

* : Less than half of one percent.

CHART 21 - RECENT CHANGES
EXPECTED CHANGE IN INTEREST RATES

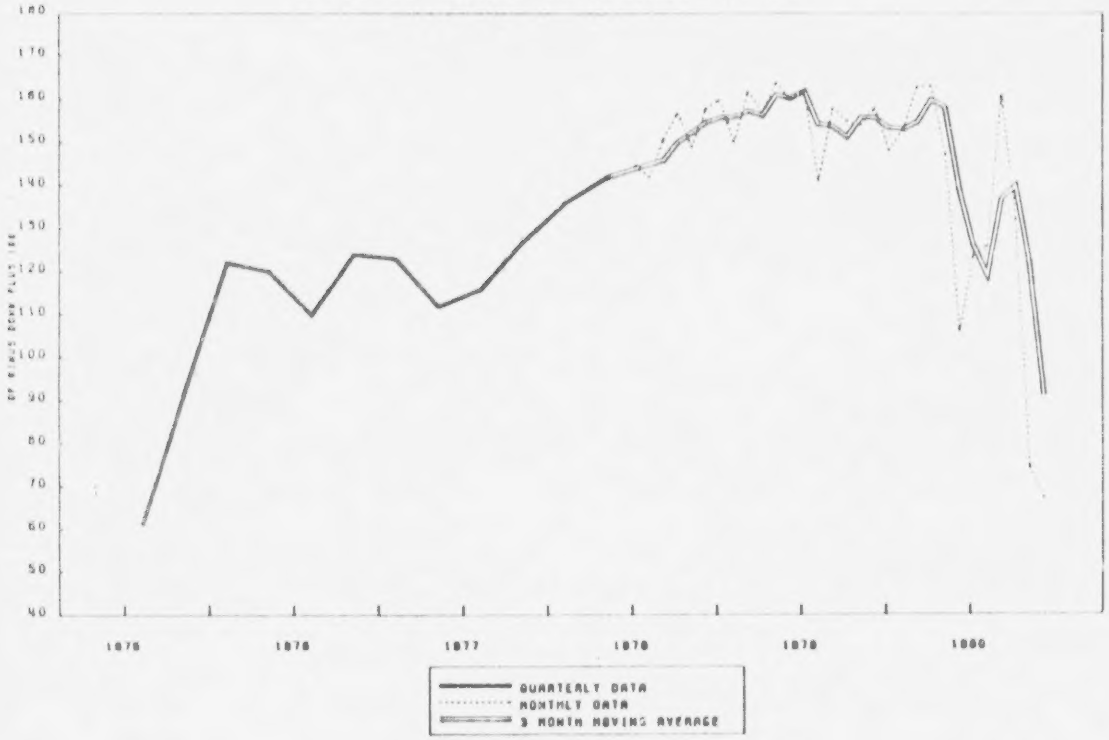

CHART 21 - HISTORICAL SERIES
EXPECTED CHANGE IN INTEREST RATES

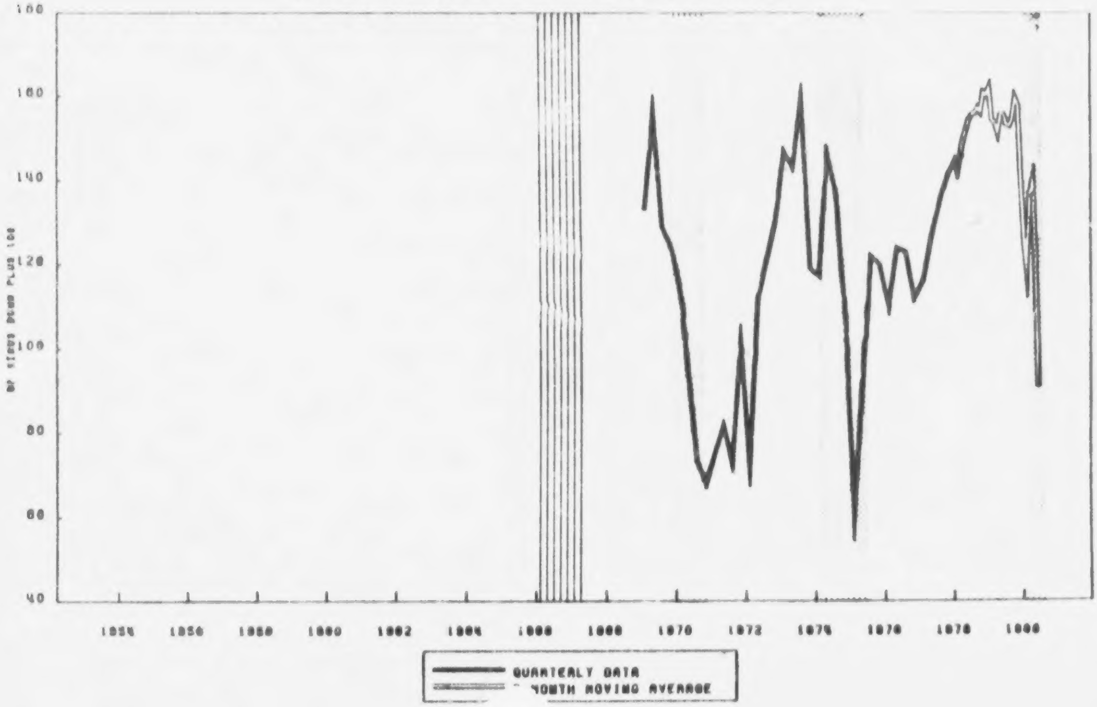

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TABLE 21

EXPECTED CHANGE IN INTEREST RATES

	June 1979	July 1979	Aug. 1979	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980
GO UP	66%	60%	61%	70%	70%	62%	40%	45%	47%	71%	56%	26%	21%
STAY THE SAME	22	24	26	20	20	20	22	30	29	16	18	20	22
GO DOWN	8	12	8	7	7	15	34	21	21	10	24	52	54
DK,NA	4	4	5	3	3	3	4	4	3	3	2	2	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1058	1173	1212	946	1167	1327	850	769	1019	707	719	703	628

The question was: "No one can say for sure, but what do you think will happen to interest rates for borrowing money during the next 12 months--will they go up, stay the same, or go down?"

TABLE 22

CHANGE IN PRICES DURING THE LAST 12 MONTHS

	June 1979	July 1979	Aug. 1979	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980
SAME OR DOWN	2%	1%	1%	na	na	2%	1%	1%	3%	2%	2%	5%	6%
GONE UP BY:													
1-2%	1	2	2			1	3	1	1	2	2	1	1
3-4%	3	3	3			3	3	4	3	4	3	4	3
5%	5	6	7			5	5	6	6	6	5	5	6
6-9%	12	10	9			10	10	6	9	8	9	6	10
10% or more	63	61	65			64	64	67	66	67	67	64	58
DK how much up	14	17	13			15	14	15	12	11	12	15	15
DK,NA	*	*	*			*	*	*	*	*	*	*	1
TOTAL	100%	100%	100%			100%	100%	100%	100%	100%	100%	100%	100%
CASES	1058	1173	1212			1327	850	769	1019	707	719	703	688

The questions were: "During the last 12 months, have prices of the things you buy remained unchanged, or have they gone up, or have they gone down?" and "By about what percent do you think prices have gone up, on the average, during the last 12 months?"

na : Not available.

* : Less than half of one percent.

CHART 23 - RECENT CHANGES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

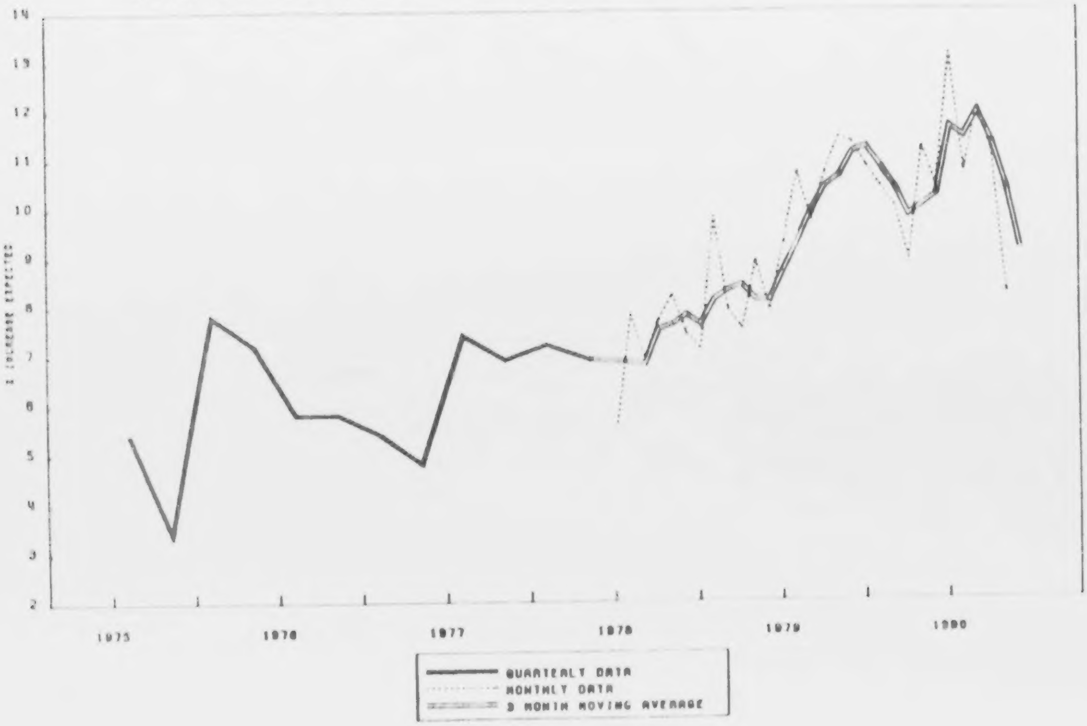

CHART 23 - HISTORICAL SERIES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

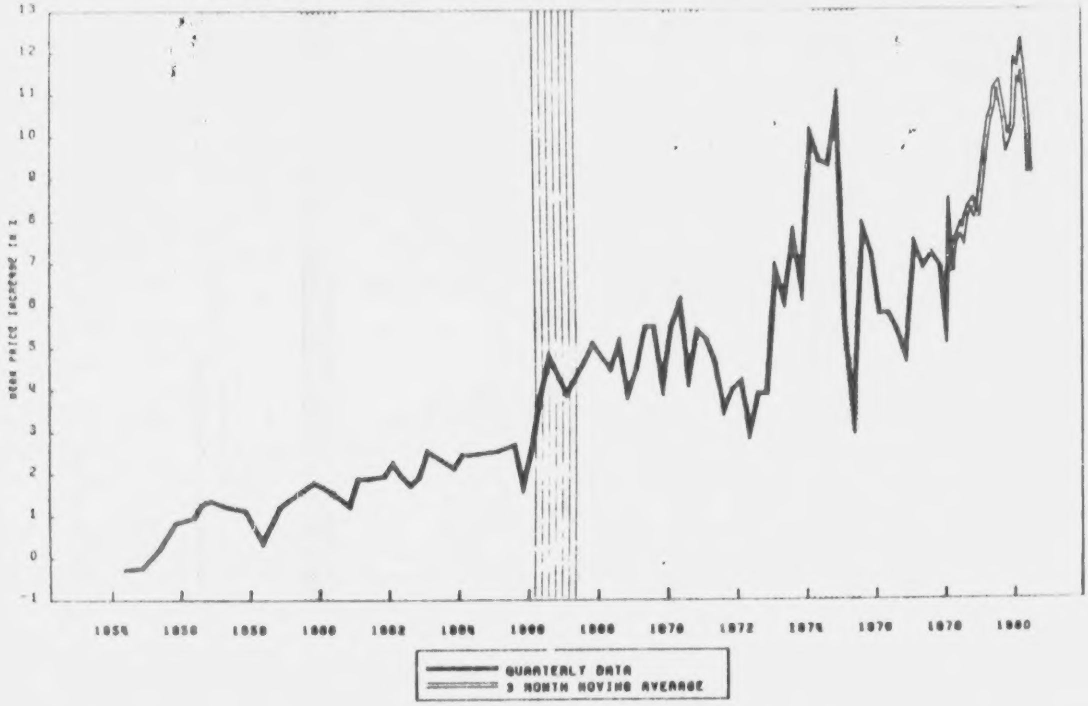

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TABLE 23

EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

	June 1979	July 1979	Aug. 1979	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980
SAME OR DOWN	10%	12%	13%	12%	13%	12%	14%	9%	8%	13%	20%	31%	27%
WILL GO UP BY:													
1-2%	3	2	2	5	4	2	3	2	4	3	2	1	3
3-4%	6	6	6	5	6	5	4	4	4	4	3	4	6
5%	8	10	9	8	10	7	7	7	11	8	7	9	7
6-9%	14	12	12	15	14	13	13	12	12	9	8	9	10
10% or more	47	45	47	41	36	48	47	53	50	53	49	35	34
DK how much up	10	11	10	13	16	12	9	11	10	7	9	10	10
DK,NA	2	2	1	1	1	1	3	2	1	3	2	1	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	11.3	10.8	10.4	9.7	8.9	11.2	10.8	13.1	10.7	12.0	11.1	8.2	8.1
VARIANCE	115	100	92	89	71	111	103	139	84	122	125	92	89
CASES	1058	1173	1212	946	1167	1327	850	769	1019	707	719	703	688

The questions were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" and "By about what percent do you expect prices to go up, on the average, during the next 12 months?"

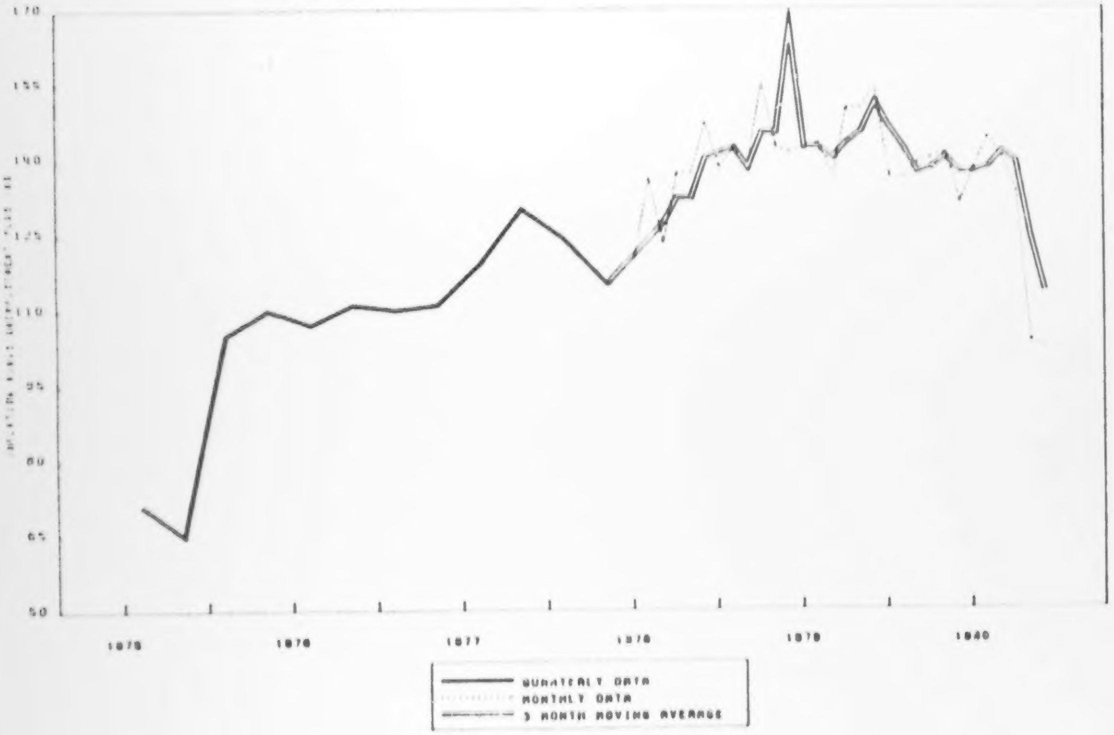

CHART 24 - RECENT CHANGES
UNEMPLOYMENT OR INFLATION MORE SERIOUS

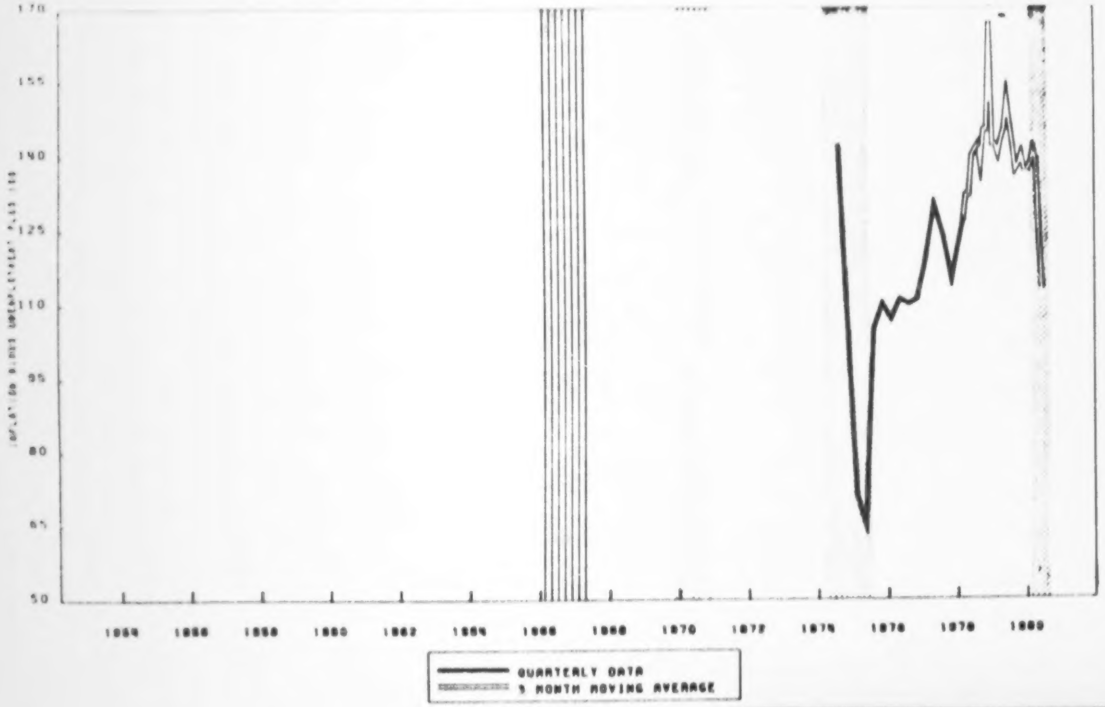

CHART 24 - HISTORICAL SERIES
UNEMPLOYMENT OR INFLATION MORE SERIOUS

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TABLE 24

UNEMPLOYMENT OR INFLATION MORE SERIOUS

	June 1979	July 1979	Aug. 1979	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980
UNEMPLOYMENT	23%	26%	27%	26%	25%	24%	29%	26%	24%	25%	26%	40%	43%
BOTH EQUALLY SERIOUS	8	10	9	7	8	8	9	7	7	8	14	16	11
INFLATION	67	62	63	65	65	65	60	64	68	65	59	43	45
DK,NA	2	2	1	2	2	3	2	3	1	2	1	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1058	1173	1212	946	1167	1327	850	769	1019	707	719	703	688

The question was: "Which of the two problems--unemployment or inflation--do you think will cause the more serious economic hardship for people during the next year or so?"

CHART 25 - RECENT CHANGES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

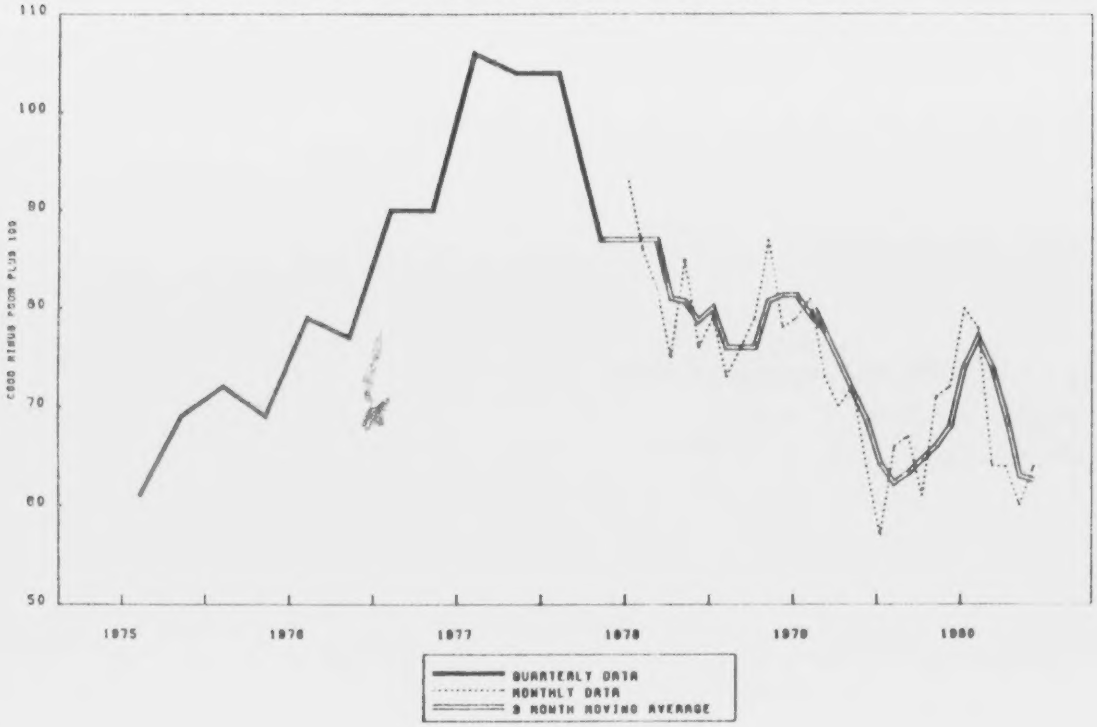

CHART 25 - RECENT CHANGES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

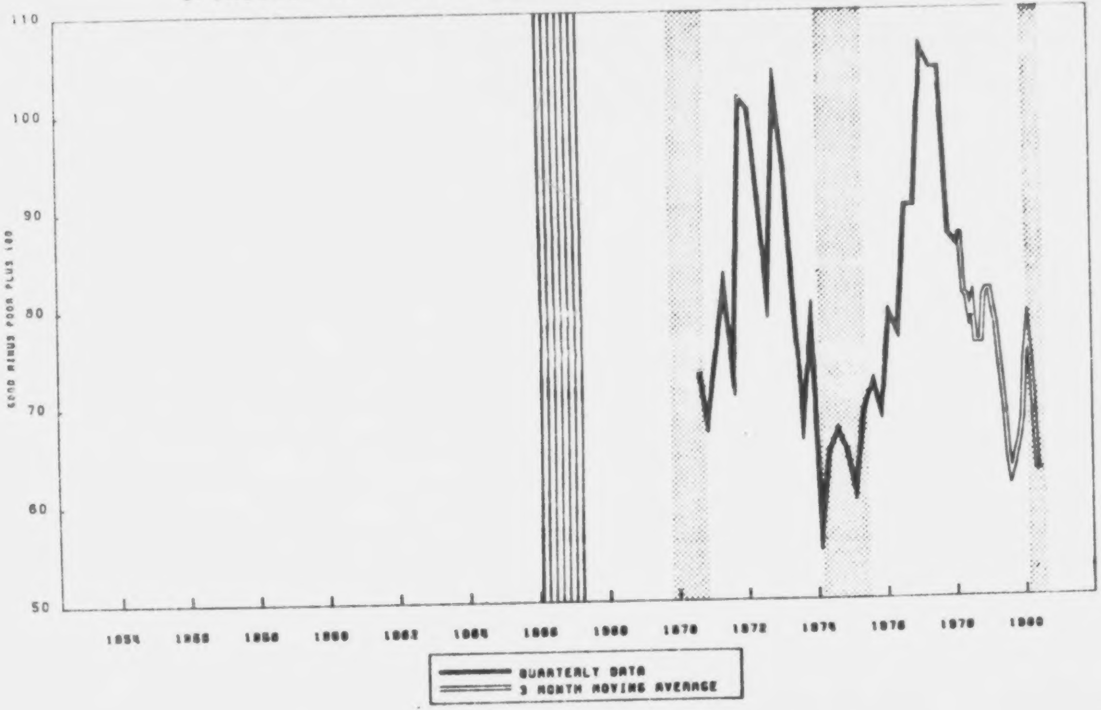

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TABLE 25

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

	June 1979	July 1979	Aug. 1979	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980
A GOOD JOB	7%	5%	8%	7%	6%	10%	9%	11%	12%	7%	6%	5%	10%
ONLY FAIR	46	43	48	51	46	47	49	54	51	46	48	48	40
A POOR JOB	43	48	42	40	45	39	38	31	34	43	42	45	46
DK,NA	4	4	2	2	3	4	4	4	3	4	4	2	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1058	1173	1212	946	1167	1327	850	769	1019	707	719	703	688

The question was: "As to the economic policy of the government--I mean steps taken to fight inflation or unemployment--would you say the government is doing a good job, only fair, or a poor job?"

CHART 26 - RECENT CHANGES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

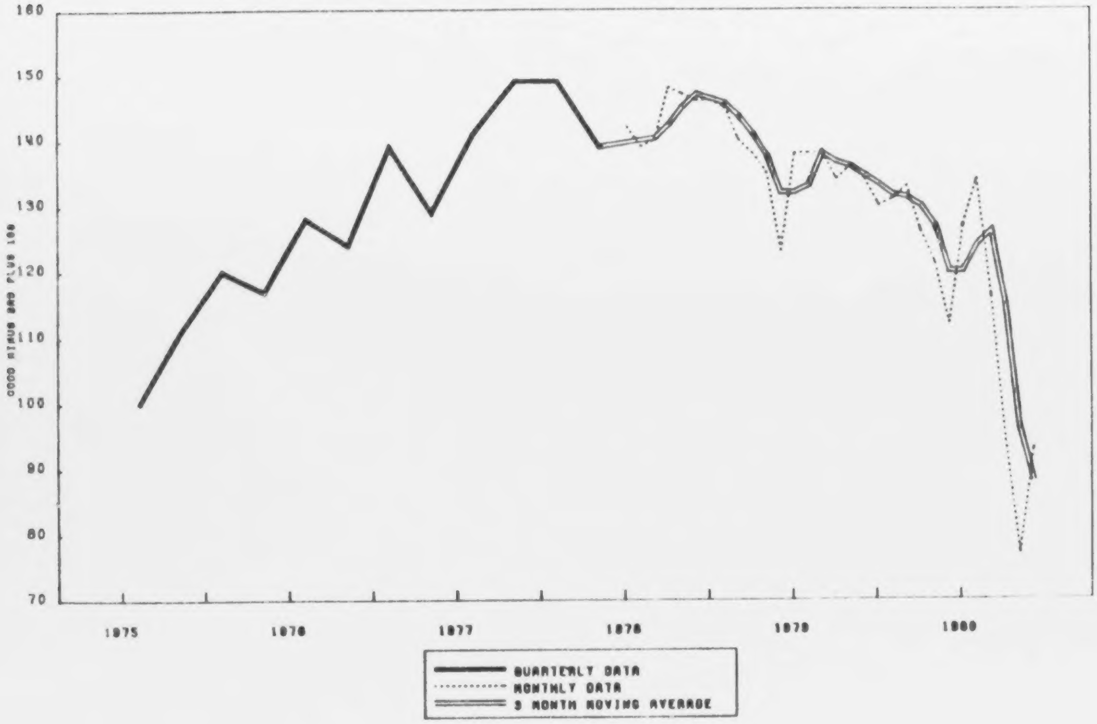

CHART 26 - HISTORICAL SERIES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

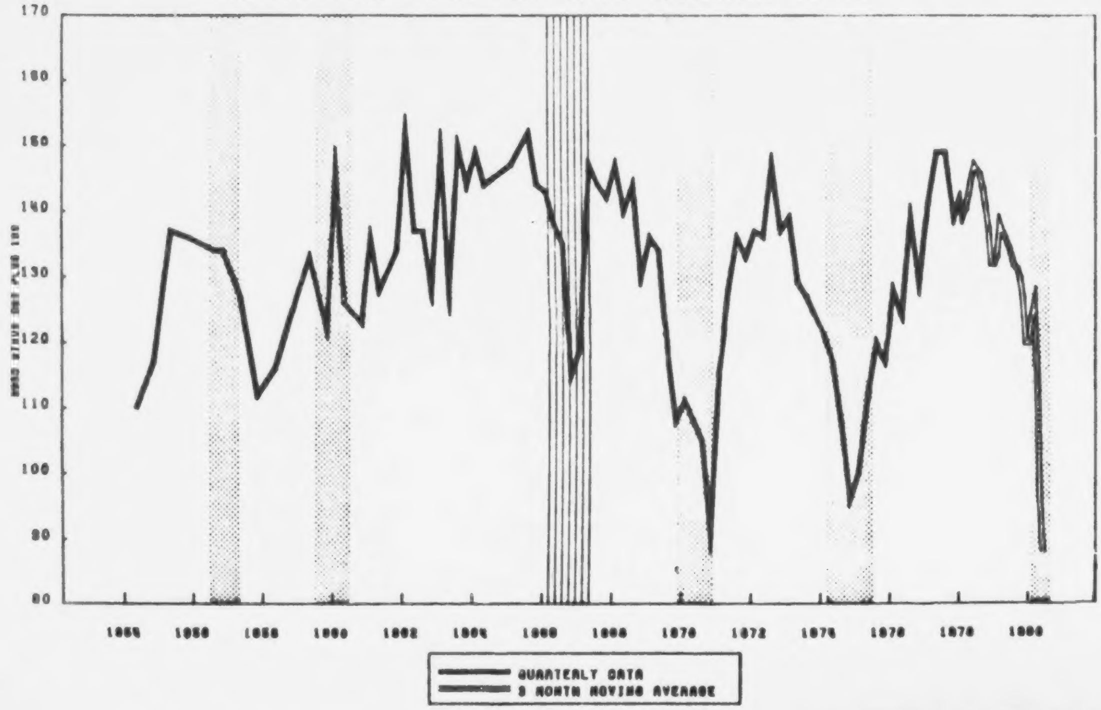

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TABLE 26

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

	June 1979	July 1979	Aug. 1979	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980
GOOD TIME TO BUY	62%	60%	58%	62%	58%	53%	52%	60%	60%	54%	41%	35%	41%
UNCERTAIN, DEPENDS	10	10	15	9	10	14	6	7	14	8	12	7	11
BAD TIME TO BUY	28	30	27	29	32	33	42	33	26	38	47	58	48
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1058	1173	1212	946	1167	1327	850	769	1019	707	719	703	688

The question was: "About the big things people buy for their homes--such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a good or a bad time for people to buy major household items?"

TABLE 27

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS+

	June 1979	July 1979	Aug. 1979	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980
GOOD TIME TO BUY:													
Prices are low; good buys available	10%	9%	19%	13%	8%	18%	12%	17%	23%	12%	9%	14%	16%
Prices won´t come down; are going higher	46	46	33	42	48	27	38	47	33	43	28	23	26
Interest rates low; credit is easy	3	2	1	3	5	2	3	3	3	5	3	2	3
BAD TIME TO BUY:													
Prices are high	20	19	17	18	18	20	25	20	16	23	30	34	29
Interest rates are high; credit is tight	9	11	5	11	9	13	17	12	11	19	28	31	24
People lack purchasing power	7	9	9	11	14	9	15	19	8	12	14	16	15

Responses to the query: "Why do you say so?" following the question on Table 26.

+ : Adds to more than 100 due to multiple mentions.

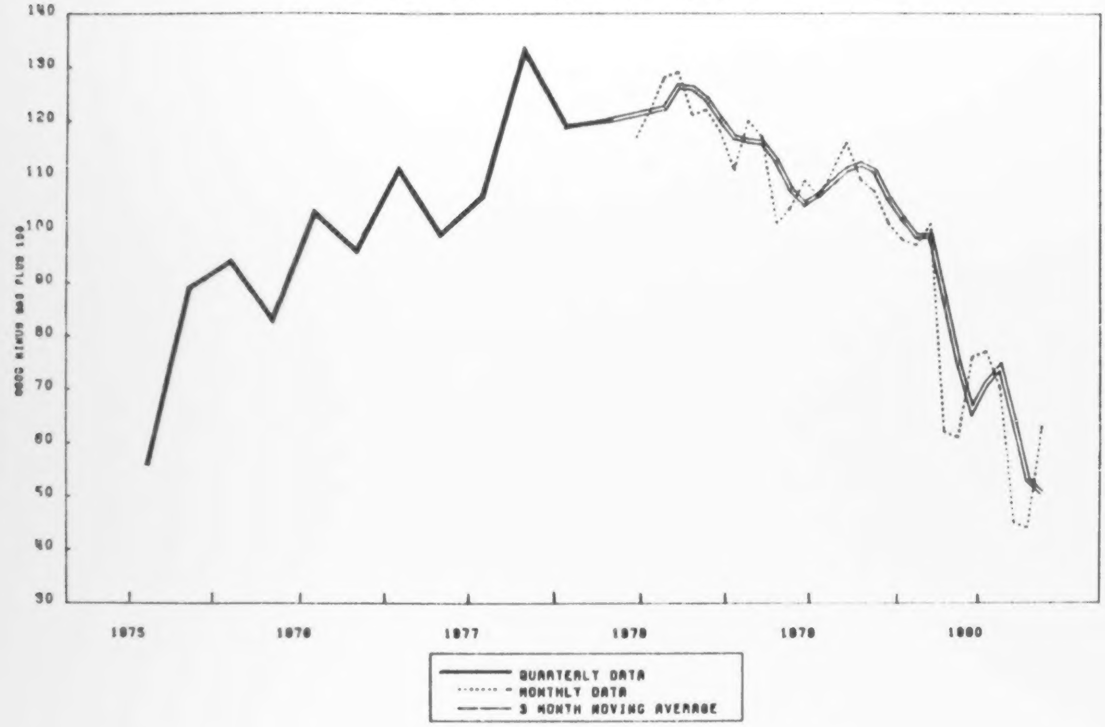


CHART 28 - RECENT CHANGES
BUYING CONDITIONS FOR HOUSES

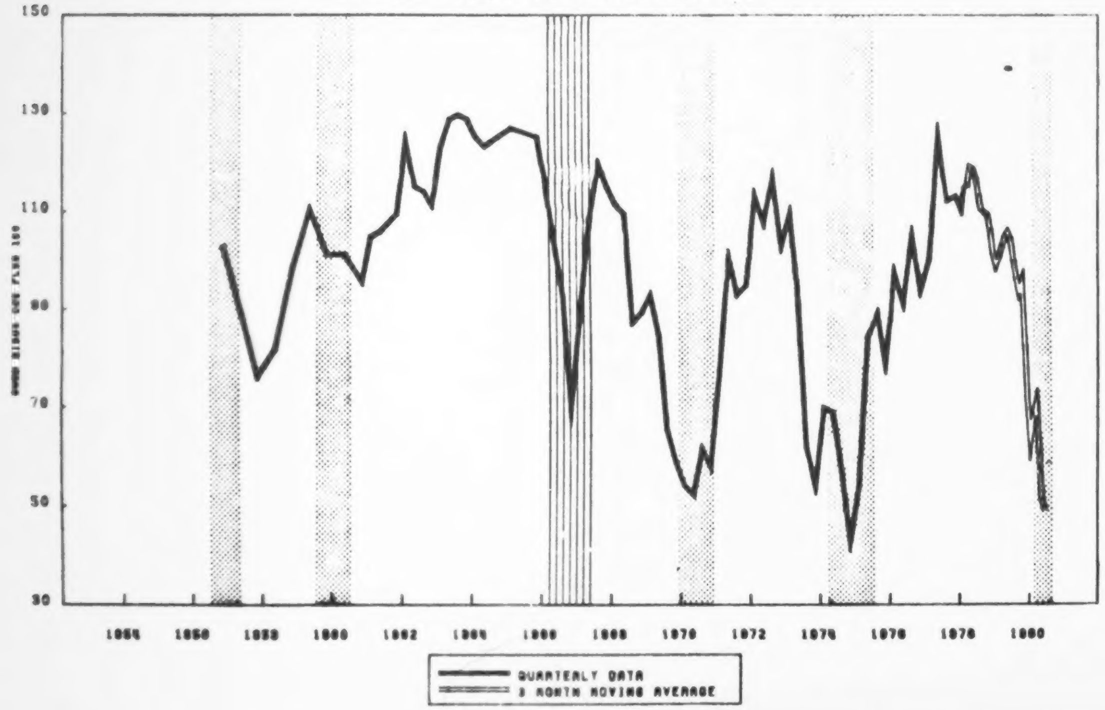


CHART 28 - HISTORICAL SERIES
BUYING CONDITIONS FOR HOUSES

BEST AVAILABLE COPY

TABLE 28

BUYING CONDITIONS FOR HOUSES

	June 1979	July 1979	Aug. 1979	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980
GOOD TIME TO BUY	50%	48%	46%	46%	47%	28%	28%	36%	36%	32%	19%	18%	29%
UNCERTAIN, DEPENDS	7	5	6	5	6	6	6	4	5	6	7	8	5
BAD TIME TO BUY	43	47	48	49	47	66	66	60	59	62	74	74	66
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1058	1173	1212	946	1167	1327	850	769	1019	707	719	703	688

The question was: "Generally speaking, do you think now is a good time to buy a house?"

TABLE 29

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

	June 1979	July 1979	Aug. 1979	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980
GOOD TIME TO BUY:													
Prices are low; good buys available	na	na	3%	na	na	3%	na	na	4%	na	4%	3%	6%
Prices won´t come down; are going higher			30			17			20		8	8	11
Interest rates low; credit is easy			10			8			9		3	6	16
Good investment			12			8			12		9	7	5
BAD TIME TO BUY:													
Prices are high			31			31			30		31	30	27
Interest rates are high; credit is tight			31			68			56		76	75	66
People lack purchasing power			9			9			8		8	9	10

Responses to the query: "Why do you say so?" following the question on Table 28.

na : Not available.

CHART 30 - RECENT CHANGES
BUYING CONDITIONS FOR CARS

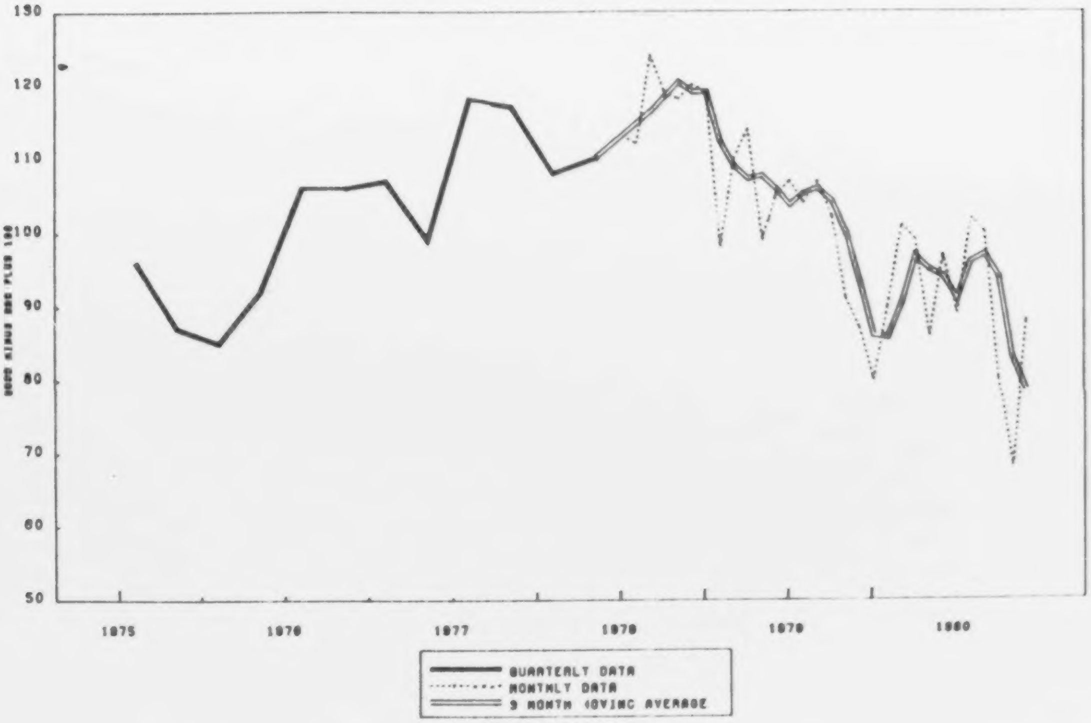
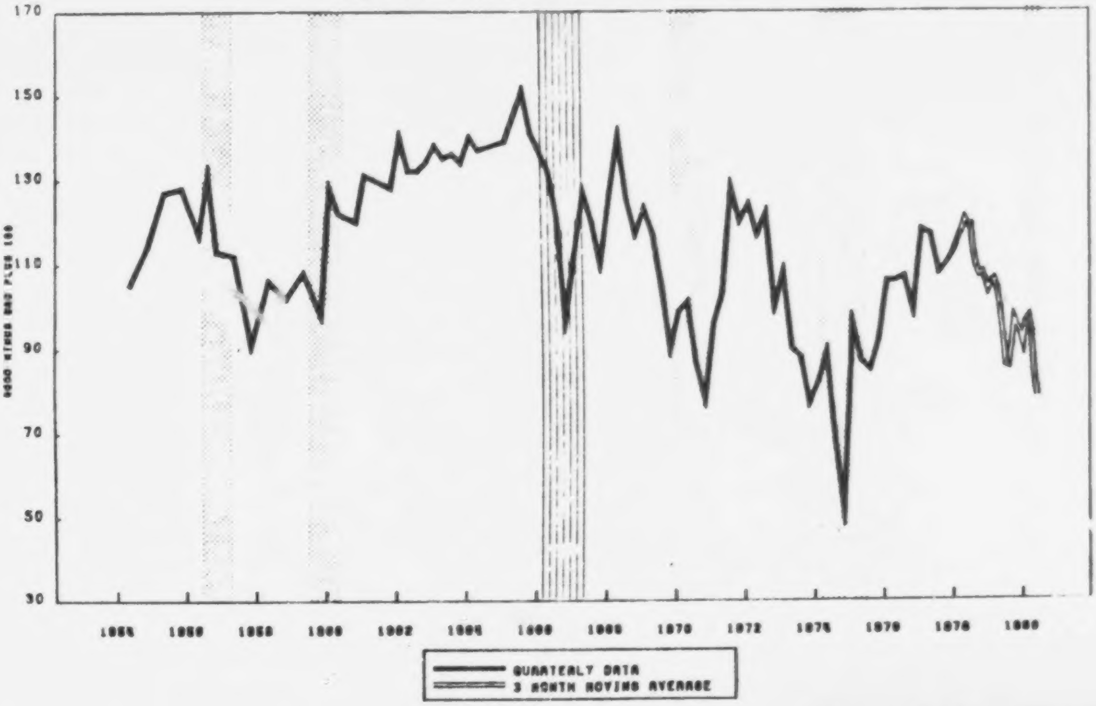


CHART 30 - HISTORICAL SERIES
BUYING CONDITIONS FOR CARS



BEST AVAILABLE COPY

TABLE 30

BUYING CONDITIONS FOR CARS

	June 1979	July 1979	Aug. 1979	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980
GOOD TIME TO BUY	37%	32%	38%	44%	45%	38%	44%	40%	47%	45%	35%	29%	37%
UNCERTAIN; DEPENDS	13	16	14	11	9	10	9	10	8	10	10	10	14
BAD TIME TO BUY	50	52	48	45	46	52	47	50	45	45	55	61	49
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1058	1173	1212	946	1167	1327	850	769	1019	707	719	703	688

The question was: "Speaking now of the automobile market--do you think the next 12 months or so will be a good time or a bad time to buy a car?"

TABLE 31

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS+

	June 1979	July 1979	Aug. 1979	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980
GOOD TIME TO BUY:													
Prices are low; good buys available	7%	11%	17%	21%	16%	14%	20%	13%	21%	19%	15%	25%	27%
Prices won't come down; are going higher	21	17	14	21	23	16	20	22	19	22	10	8	9
Interest rates low; credit is easy	1	1	1	2	3	2	1	2	3	3	4	1	3
New fuel efficient models	12	11	11	9	8	8	10	8	14	13	12	6	5
BAD TIME TO BUY:													
Prices are high	25	27	27	25	27	30	27	31	22	25	32	30	24
Interest rates are high; credit is tight	4	6	7	7	8	18	18	13	14	17	24	29	22
People lack purchasing power	3	6	6	5	4	6	7	9	4	6	6	7	6
Price of gas; shortages	26	25	18	14	13	10	13	19	13	16	16	15	9
Poor selection; quality	13	10	11	11	10	8	8	10	10	9	8	7	10

Responses to the query: "Why do you say so?" following the question on Table 30.

+ : Adds to more than 100 due to multiple mentions.

V 7475 · 2

July 10, 1980

TO: Monthly Subscribers

FROM: The Monitoring Economic Change Program

Several changes have been made in the quarterly and monthly data books which include the addition of new tables and charts.

Monthly (Yellowbook) Changes

The "recent changes" charts remain the same; the solid black line represents pre-1978 quarterly data, the double line is the 3-month moving average, and the dotted line is the actual observation for each month.

The historical series charts now have a solid black line representing pre-1978 quarterly surveys and the double line represents the 3 month moving average.

Quarterly (Bluebook) Changes

The quarterly data from 1978 to the present has been revised to incorporate the three individual monthly surveys into an average quarterly value. Prior to 1978 one survey per quarter was conducted and there is no change in these quarterly values.

The 3-month aggregation will provide larger sample sizes for the quarterly reports and make more subgroup trend analysis possible.

Currently the Index is reported for geographic region and age subgroups, and high income families for all measures. Additional cross-classifications of the data are available upon request.

Data for high income families now includes households with incomes of $20,000 and above, up from $15,000.

Monthly and Quarterly Reporting

In future quarters, the Monthly Report and Yellowbook will be sent within one week of the data collection, and the Quarterly Final Report and Bluebook will be mailed in the following week.

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JUNE 1980 SURVEY July 3, 1980

MONTHLY REPORT

Surveys of Consumer Attitudes

Richard T. Curtin, *Director*

JUNE SURVEY MARKS MODEST IMPROVEMENT FROM RECORD LOWS

** In the June 1980 survey, the Index of Consumer Sentiment was 58.8, up 7 Index points from the all-time record low recorded in the May 1980 survey (51.7). Despite this improvement late in the second quarter, the April-June reading of 54.4 is the lowest quarterly average on record. The June improvement was due to somewhat less pessimistic business expectations, and a somewhat more favorable view toward market conditions. The one-month improvement does not signal a reversal in trend, although it does indicate an end to the free-fall decline recorded in earlier months.

** Among families with incomes of $20,000 or more, the Index figure was 61.7 in June 1980, up from 55.2 in May, and 52.5 in April 1980, the cyclical lowpoint.

** Evaluations of current personal finances remained largely unchanged in the June 1980 survey, near record low levels. Expectations for future improvement were somewhat more optimistic in the June survey, mainly because of lower price expectations.

** News heard and recalled of changes in business conditions remained overwhelmingly pessimistic. A significant shift occurred in the content of news heard, from inflation and credit conditions to growing reports of unemployment and plant closings.

** Bad times financially were expected in the economy as a whole during the next 12 months by 75 percent of all families in June (down from 82 percent recorded in May), and bad times were expected during the next 5 years by 59 percent in June (down from 71 percent in May).

** Although 90 percent of all families reported in both May and June 1980 that business conditions were worse than those of a year earlier, the proportion who expected improved business conditions in the year ahead increased to 26 percent in June from 21 percent in May, and fewer respondents expected further deterioration in the coming year (32 percent in June compared with 39 percent in May 1980).

** Consumers expected prices to increase on average by 8.1% in June 1980, unchanged from the 8.2% recorded in May, and significantly below the record 13.1% recorded in January 1980. Interest rates were expected to decline during the next year by 54 percent of all families in June, up from just 10 percent recorded three months earlier in March 1980.

** Attitudes toward buying conditions for household durable goods, vehicles, and houses improved in the June 1980 survey. Unfavorable buying attitudes toward household durables declined from 58 percent in May to 48 percent in June, unfavorable buying attitudes toward vehicles declined from 61 percent in May to 49 percent in June, and unfavorable attitudes toward buying conditions for houses declined from 74 percent in May to 66 percent in June. These improvements in buying attitudes were due to some lessening of complaints about high interest rates and tight credit conditions.

The June survey included 688 interviews conducted between May 30 and June 24, 1980.

Monitoring Economic Change Program
Institute for Social Research • P.O. Box 1248 • Ann Arbor, Michigan 48106 • (313) 763-5224

SECOND QUARTER ADVANCE REPORT

APRIL-JUNE 1980 SURVEYS

July 3, 1980

Surveys of Consumer Attitudes

Richard T. Curtin, *Director*

SECOND QUARTER 1980 SURVEYS REACH RECORD LOW

** In the April-June 1980 surveys, the Index of Consumer Sentiment was 54.4, down from 63.5 in the January-March 1980 surveys. The April-June average reading of 54.4 is the lowest quarterly figure on record, below the 58.0 recorded in the 1974-75 recession. The most significant declines occurred in attitudes toward buying conditions.

** Among families with incomes of $20,000 and over, the Index figure was 57.0 in the second quarter 1980 surveys, down from 68.0 in January-March 1980, and nearly identical to the record low of 56.5 recorded in the 1974-75 recession.

** A new record level of pessimistic business expectations was recorded in the April-June 1980 surveys. Among all consumers:

> Seventy-eight percent expect bad times financially in the economy during the next 12 months, above the prior record level of 70 percent in February 1975.
>
> Sixty-six percent expect unemployment to increase during the next 12 months, above the prior record level of 63 percent recorded in November 1974.

** In contrast to the sharp declines in the outlook for the economy because of fears of unemployment, price and interest rate expectations have moderated in the second quarter of 1980.

** Unfavorable assessments of market conditions increased sharply in the second quarter of 1980, and have pushed buying attitudes to new record low levels.

> Fifty-one percent rated buying conditions for household durables in April-June 1980 as unfavorable, significantly above the prior record level of 35 percent in November 1974.
>
> Seventy-one percent rated house buying conditions as unfavorable in the April-June 1980 surveys, equal to the prior record of 71 percent recorded in late 1974.
>
> Fifty-five percent rated buying conditions for vehicles as unfavorable in April-June 1980, somewhat below the late 1974 record level of 62 percent.

Consumers were more pessimistic in the second quarter of 1980 than ever before observed. Concern with spreading unemployment rather than fear of inflation has been responsible for lowered confidence in recent months. Although severely depressed before the March announcement, concern with credit conditions led to an accelerated deterioration in favorable buying attitudes. The deep declines will not easily nor quickly yield to sustained improvement. Inflation-pinched budgets and depleted savings and reserve funds will force relatively greater reductions in discretionary purchases. Use of credit and debt is likely to remain at low levels in the near term due to uncertainty about its use, as well as widespread expectation of lowered interest rates. Sustained improvement in consumer confidence can take place only when consumers perceive effective action to slow and reverse the downward trend in employment and incomes.

The second quarter 1980 surveys obtained 2,110 interviews conducted between March 20 and June 24, 1980.

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SURVEYS OF CONSUMER ATTITUDES

TABLES AND CHARTS

JULY 1980

SURVEY RESEARCH CENTER
UNIVERSITY OF MICHIGAN

Institute for Social Research

TABLES AND CHARTS

JULY 1980

THE JULY 1980 SURVEY IS THE 120TH IN A SERIES OF SURVEYS OF CONSUMER ATTITUDES CONDUCTED DURING THE LAST 30 YEARS. THE PURPOSE OF THESE SURVEYS IS TO MEASURE CHANGES IN CONSUMER ATTITUDES AND EXPECTATIONS, AND TO INCREASE UNDERSTANDING OF WHY THESE CHANGES OCCUR AND HOW THEY AFFECT CONSUMER DECISIONS TO MAKE DISCRETIONARY PURCHASES OR TO SAVE. THIS TYPE OF UNDERSTANDING IS AN ESSENTIAL INGREDIENT FOR FORECASTING CHANGES IN AGGREGATE CONSUMER BEHAVIOR.

TWO CHARTS ARE PRESENTED FOR EVERY QUESTION. ONE GIVES QUARTERLY RESULTS FROM 1955 TO THE LAST QUARTERLY OBSERVATION. A SECOND CHART SHOWS MONTHLY RESULTS SINCE JANUARY OF 1978, WHEN THIS SERIES WAS INSTITUTED, ALONG WITH A SIMPLE THREE MONTH MOVING AVERAGE PLOTTED ON THE LAST OF THE THREE MONTHS.

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3	COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT
4	CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO
5	SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION
6	EXPECTED CHANGE IN FINANCIAL SITUATION
7	TREND IN PERSONAL FINANCIAL SITUATION
8	EXPECTED INCOME CHANGES DURING THE NEXT 12 MONTHS
9	INCOME OR PRICES UP MORE DURING THE LAST YEAR
10	EXPECT INCOME UP MORE OR LESS THAN PRICES NEXT YEAR
11	TREND IN INCOME AND PRICE COMPARISON
12	NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS
13	SELECTED REASONS FOR OPINIONS ABOUT NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS
14	CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO
15	EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR
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20	EXPECTED CHANGE IN UNEMPLOYMENT
21	EXPECTED CHANGE IN INTEREST RATES
22	CHANGES IN PRICES DURING THE LAST 12 MONTHS
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24	UNEMPLOYMENT OR INFLATION MORE SERIOUS
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26	BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS
27	SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS
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30	BUYING CONDITIONS FOR CARS
31	SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS
32	PLANS TO PURCHASE AN AUTOMOBILE
33	CURRENT VEHICLE PURCHASE INTENTIONS
34	FUTURE VEHICLE PURCHASE INTENTIONS

CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

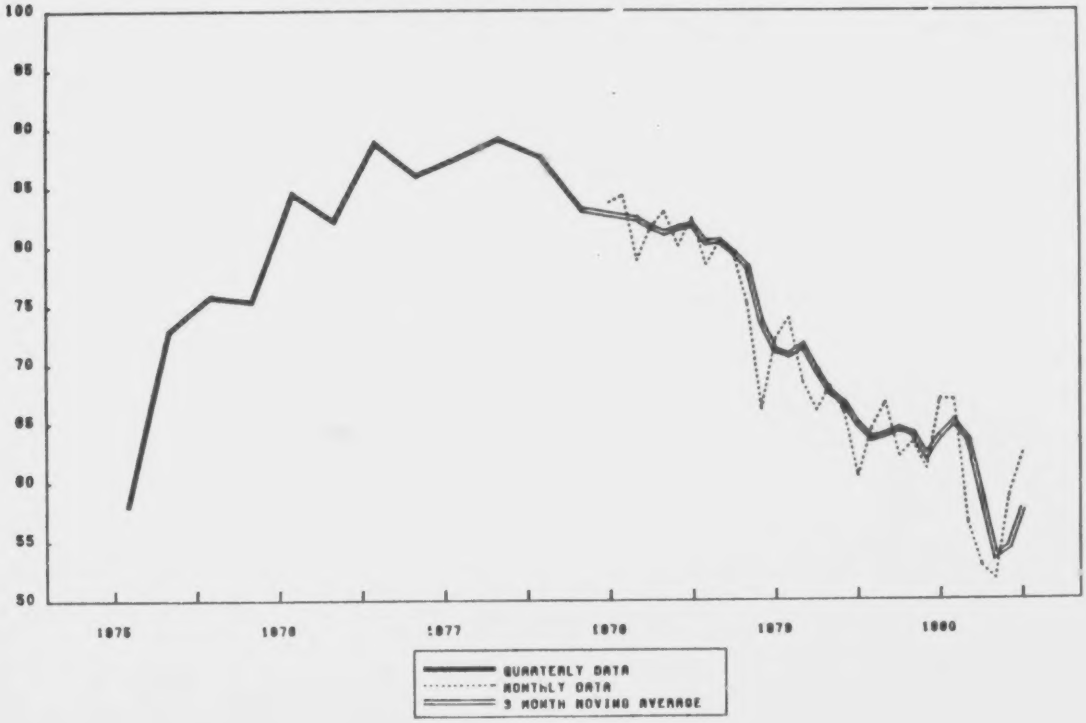

CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT

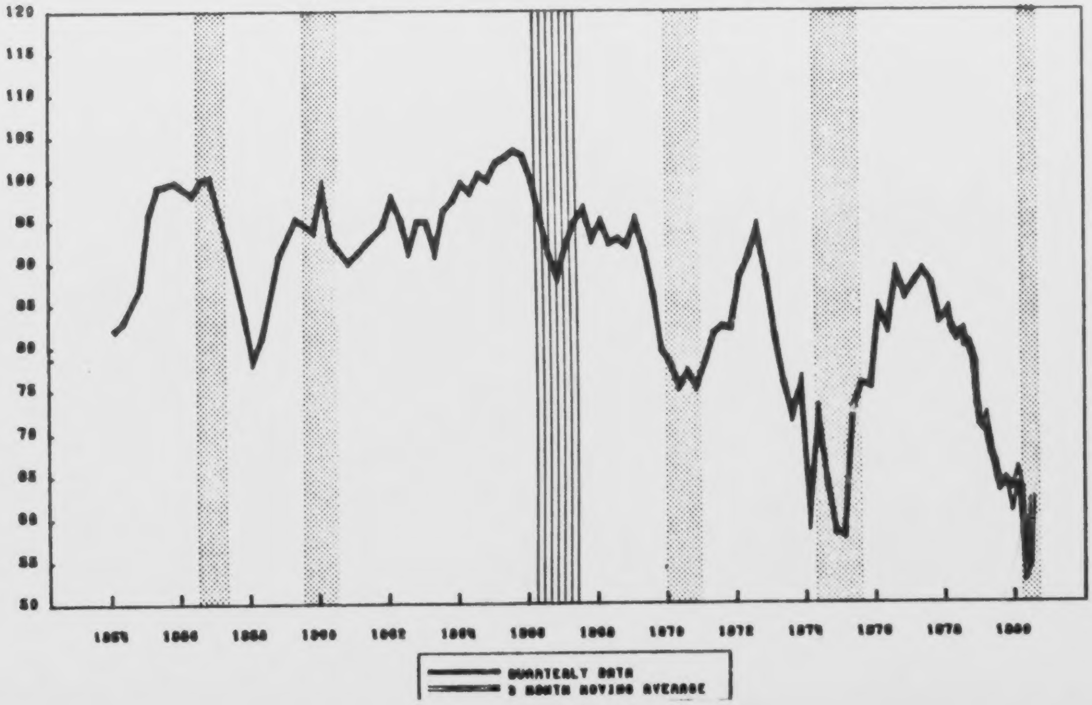

TABLE 1

THE INDEX OF CONSUMER SENTIMENT

DATE OF STUDY		ALL FAMILIES	FAMILIES WITH INCOMES OF $20,000+	FAMILIES WITH INCOMES OF $25,000+
FEBRUARY	1975	58.0	56.5	
MAY	1975	72.9	74.9	
AUG-SEPT.	1975	75.8	82.1	
OCT-NOV.	1975	75.4	82.6	
FEBRUARY	1976	84.5	90.2	
MAY	1976	82.2	97.2	
AUG-SEPT.	1976	88.8	88.0	
NOV-DEC.	1976	86.0	91.8	
FEBRUARY	1977	87.5	103.1	
MAY	1977	89.1	98.6	
AUG-SEPT.	1977	87.6	101.7	
NOV-DEC.	1977	83.1	93.0	
JANUARY	1978	83.7	95.6	94.7
FEBRUARY	1978	84.3	98.0	100.1
MARCH	1978	78.8	87.5	93.8
APRIL	1978	81.6	94.5	92.9
MAY	1978	82.9	87.1	90.0
JUNE	1978	80.0	92.7	94.6
JULY	1978	82.4	91.7	92.4
AUGUST	1978	78.4	85.1	85.4
SEPTEMBER	1978	80.4	87.2	87.2
OCTOBER	1978	79.3	88.1	89.1
NOVEMBER	1978	75.0	81.0	83.0
DECEMBER	1978	66.1	73.8	76.8
JANUARY	1979	72.1	83.7	84.8
FEBRUARY	1979	73.9	84.3	86.6
MARCH	1979	68.4	75.3	73.6
APRIL	1979	66.0	73.7	77.0
MAY	1979	68.1	73.5	76.7
JUNE	1979	65.8	71.8	72.9
JULY	1979	60.4	67.2	68.0
AUGUST	1979	64.5	70.0	71.3
SEPTEMBER	1979	66.7	71.6	63.9
OCTOBER	1979	62.1	65.6	65.5
NOVEMBER	1979	63.3	68.3	69.9
DECEMBER	1979	61.0	66.2	73.2
JANUARY	1980	67.0	70.8	70.9
FEBRUARY	1980	66.9	70.8	73.5
MARCH	1980	56.5	62.3	64.5
APRIL	1980	52.8	52.5	57.2
MAY	1980	51.7	55.2	53.3
JUNE	1980	58.8	61.7	63.8
JULY	1980	62.3	67.6	67.3

CHART 3 - HISTORICAL SERIES
CURRENT AND EXPECTED COMPONENTS

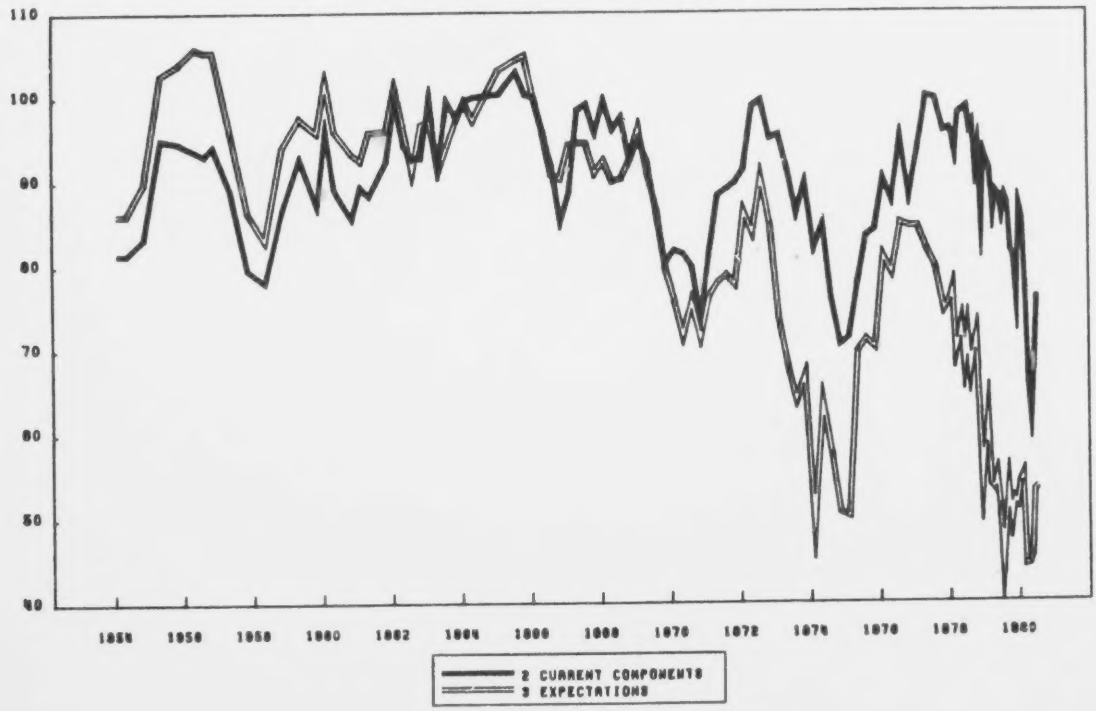

TABLE 3
COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT **

DATE		1*	2*	3*	4*	5*	CURRENT (1,5)	EXPECTED (2,3,4)
MAY	1976	100	118	120	76	124	87.5	78.9
AUG-SEPT.	1976	105	119	127	92	139	95.1	84.9
NOV-DEC.	1976	96	115	117	105	129	87.9	84.5
FEBRUARY	1977	99	121	115	97	141	93.6	84.5
MAY	1977	108	115	118	92	149	100.0	81.8
AUG-SEPT.	1977	107	116	115	86	149	99.7	79.8
NOV-DEC.	1977	107	107	104	84	139	95.9	74.5
JANUARY	1978	105	114	106	80	142	96.2	75.7
FEBRUARY	1978	106	109	108	89	139	95.4	77.1
MARCH	1978	100	107	91	77	140	93.2	69.5
APRIL	1978	104	112	98	71	148	97.9	71.1
MAY	1978	105	111	99	79	147	98.2	73.0
JUNE	1978	107	102	97	71	146	98.4	68.1
JULY	1978	108	111	105	69	146	98.7	71.9
AUGUST	1978	102	112	82	70	145	96.1	67.0
SEPTEMBER	1978	109	108	96	71	140	96.9	69.7
OCTOBER	1978	96	104	103	77	138	91.2	71.6
NOVEMBER	1978	106	105	74	67	135	94.1	62.8
DECEMBER	1978	95	97	61	53	123	85.2	53.7
JANUARY	1979	100	99	72	58	138	93.3	58.4
FEBRUARY	1979	99	98	75	71	138	92.2	62.2
MARCH	1979	96	99	57	53	138	91.2	53.7
APRIL	1979	85	90	63	56	134	85.9	53.3
MAY	1979	91	95	58	62	136	88.7	54.9
JUNE	1979	92	91	54	55	134	88.2	51.4
JULY	1979	89	92	39	40	130	85.7	44.2
AUGUST	1979	95	98	46	48	131	88.2	49.3
SEPTEMBER	1979	90	98	60	51	133	87.1	53.6
OCTOBER	1979	82	96	48	49	126	81.6	49.5
NOVEMBER	1979	86	97	52	54	120	80.9	52.0
DECEMBER	1979	81	99	52	50	112	75.7	51.5
JANUARY	1980	96	106	58	47	127	87.1	54.1
FEBRUARY	1980	85	99	55	60	134	85.5	54.9
MARCH	1980	76	92	38	41	116	77.3	44.3
APRIL	1980	73	94	32	45	94	65.8	44.4
MAY	1980	79	100	31	44	77	61.7	45.3
JUNE	1980	78	101	43	63	93	67.8	53.1
JULY	1980	90	105	45	58	104	76.1	53.4

PERSONAL FINANCIAL ATTITUDES
1* BETTER OR WORSE OFF THAN A YEAR AGO
2* EXPECT TO BE BETTER OR WORSE OFF IN A YEAR
EXPECTED BUSINESS CONDITIONS
3* NEXT 12 MONTHS
4* NEXT 5 YEARS
MARKET CONDITIONS
5* BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

**PERCENT SAYING "GOOD TIMES" (OR "BETTER"), MINUS PERCENT SAYING "BAD TIMES" (OR "WORSE"), PLUS 100.

CHART 4 - RECENT CHANGES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

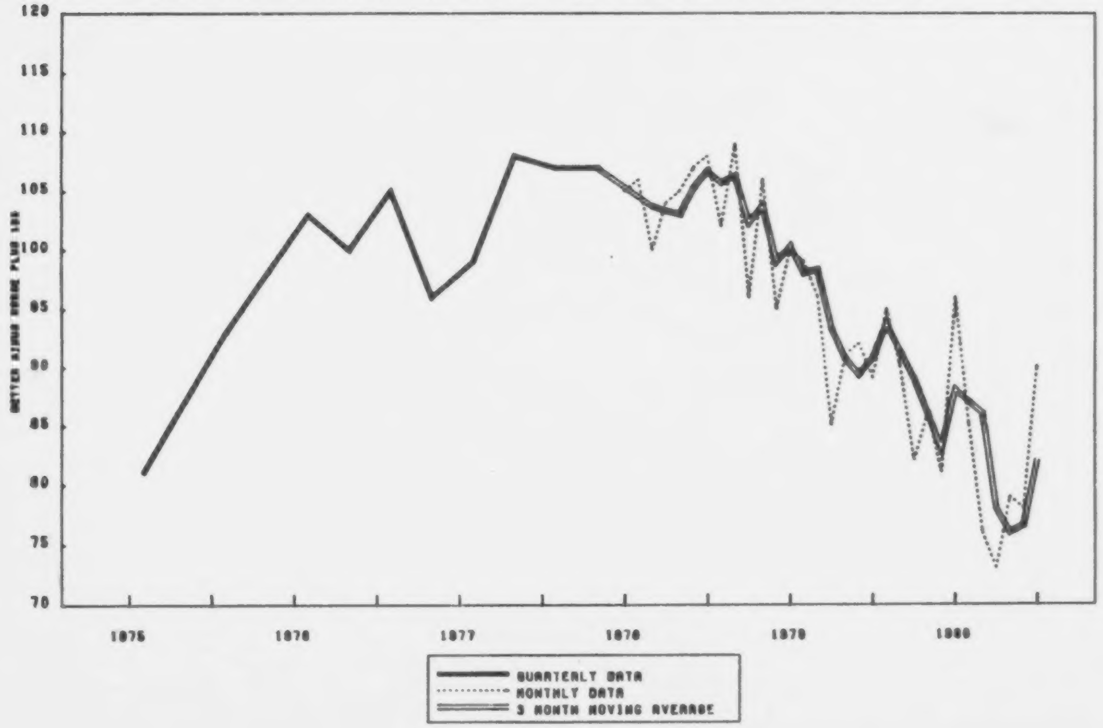

CHART 4 - HISTORICAL SERIES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

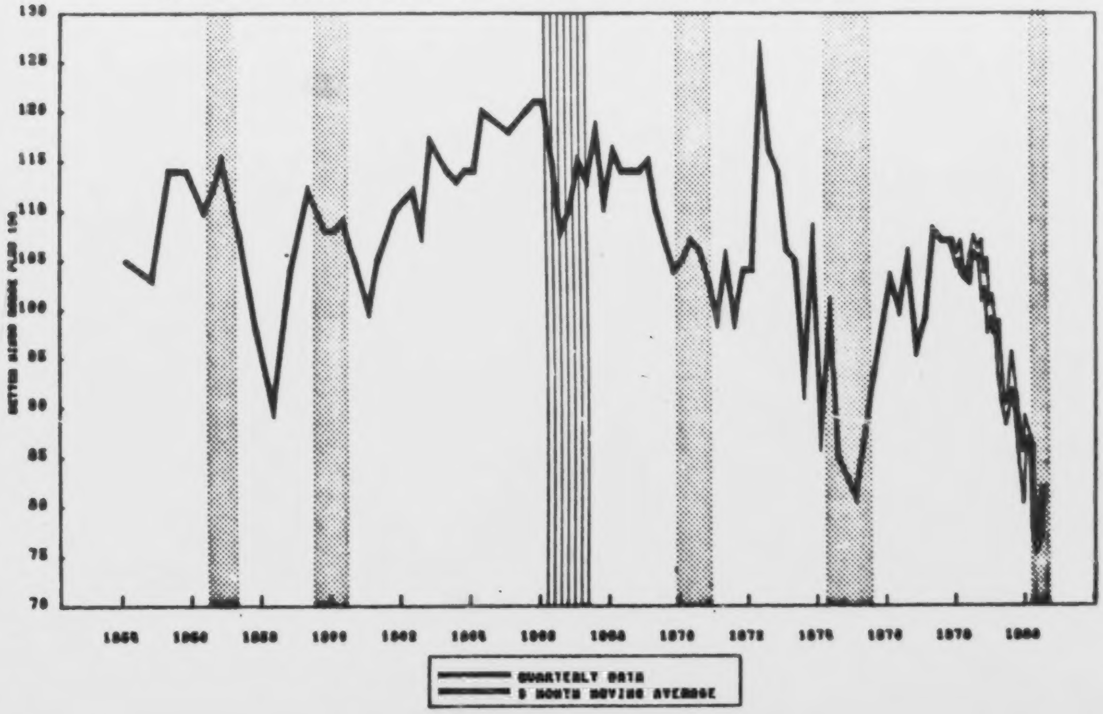

TABLE 4

CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

	July 1979	Aug. 1979	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980
BETTER OFF	31%	33%	31%	28%	30%	28%	34%	30%	24%	24%	26%	25%	30%
SAME	27	28	28	26	25	26	28	25	28	25	26	26	29
WORSE OFF	41	38	41	45	44	45	38	45	48	51	47	47	40
DK,NA	1	1	*	1	1	1	*	*	*	*	1	2	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1173	1212	946	1167	1327	850	769	1019	707	719	703	688	668

The question was: "We are interested in how people are getting along financially these days. Would you say that you (and your family living there) are better off or worse off financially than you were a year ago?"

* : Less than half of one percent.

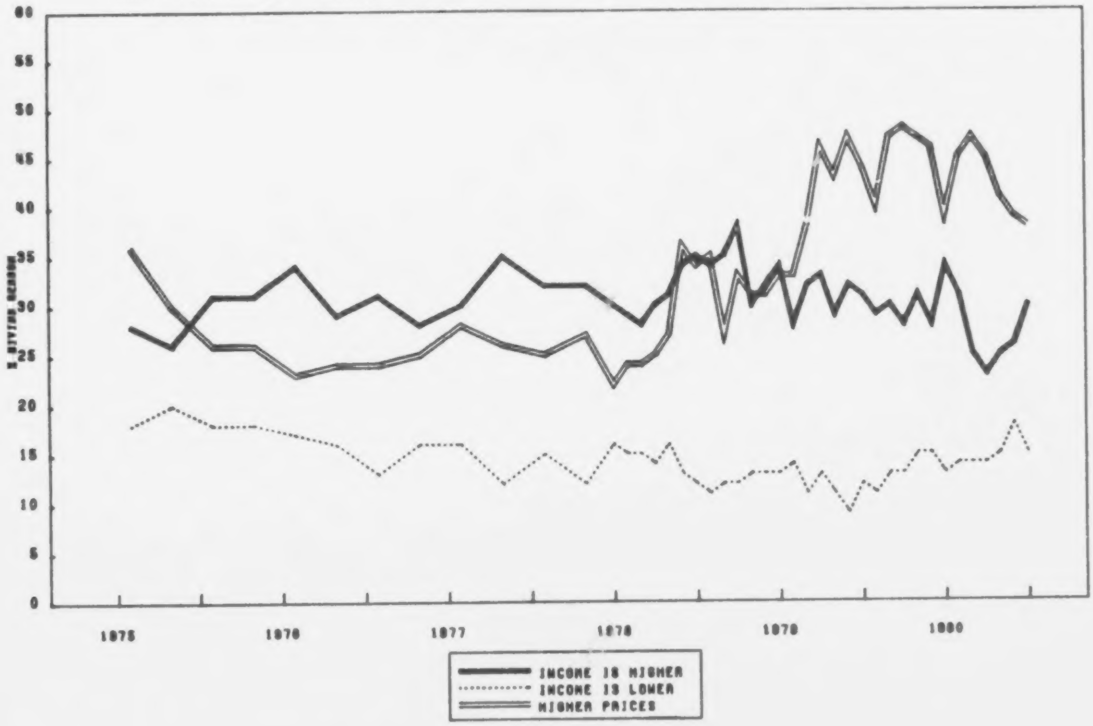
CHART 5 - RECENT CHANGES
REASONS FOR FINANCIAL SITUATION COMPARED TO A YEAR AGO

TABLE 5

SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION +

	July 1979	Aug. 1979	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980
BETTER OFF THAN YEAR AGO:													
Income is higher	31%	29%	30%	28%	31%	27%	34%	31%	25%	23%	25%	26%	30%
WORSE OFF THAN YEAR AGO:													
Income is lower	12	11	13	13	15	14	13	14	14	14	15	18	15
Higher prices	44	40	47	48	47	44	39	45	47	45	41	39	38

Responses to the query: "Why do you say so?" following the question on Table 4.

+ : May add to more than 100% due to multiple mentions.

CHART 6 - RECENT CHANGES
EXPECTED CHANGE IN FINANCIAL SITUATION

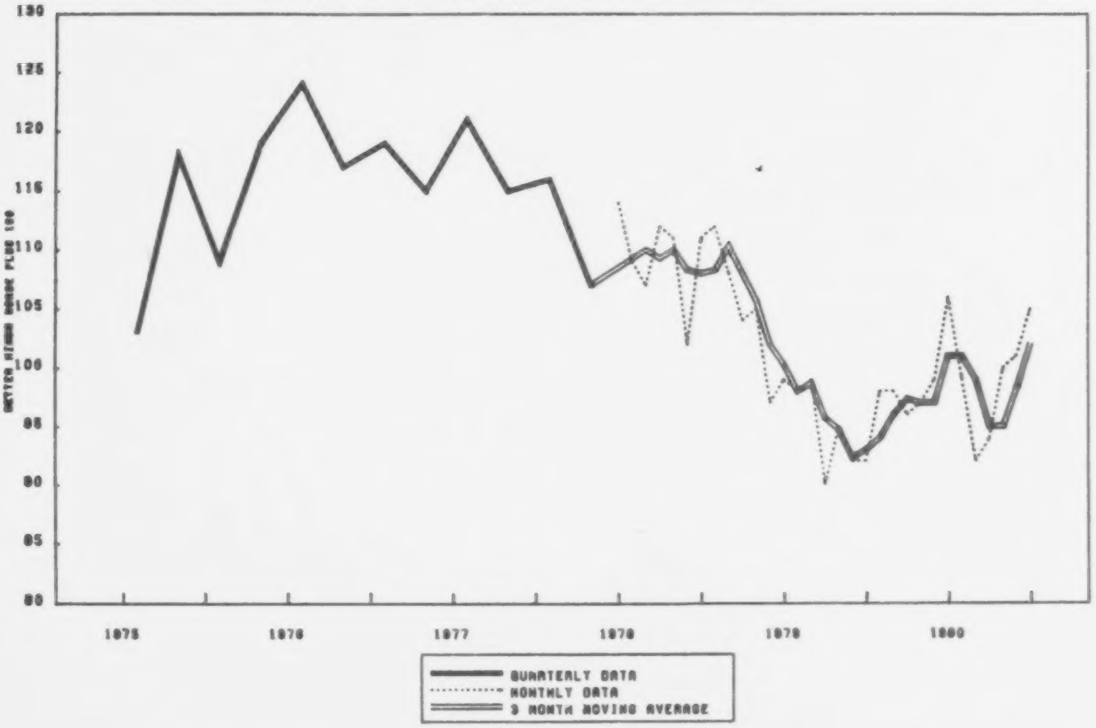

CHART 6 - HISTORICAL SERIES
EXPECTED CHANGE IN FINANCIAL SITUATION

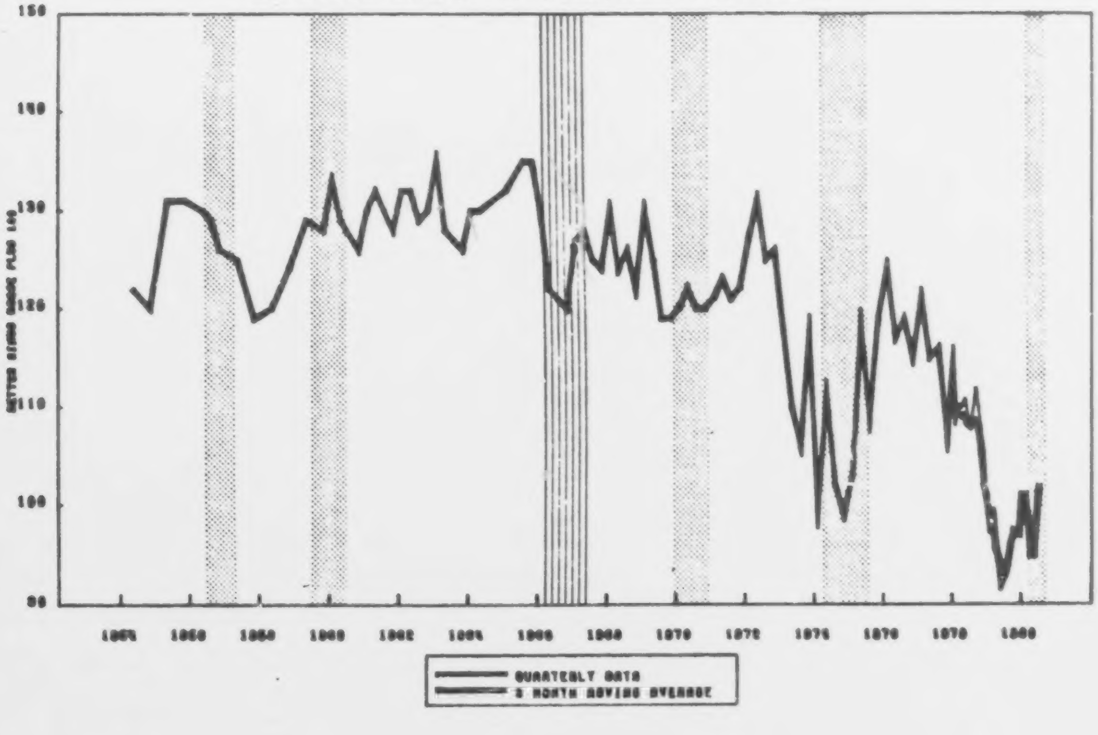

TABLE 6

EXPECTED CHANGE IN FINANCIAL SITUATION

	July 1979	Aug. 1979	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980
BETTER OFF	20%	23%	24%	24%	21%	26%	28%	25%	20%	25%	27%	26%	26%
SAME	48	50	47	45	53	45	46	45	47	42	43	46	48
WORSE OFF	28	25	26	28	24	25	22	26	28	31	27	25	21
DK,NA	4	2	3	3	2	4	4	4	5	2	3	3	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1173	1212	946	1167	1327	850	769	1019	707	719	703	688	668

The question was: "Now looking ahead--do you think that a year from now you (and your family living there) will be better off financially, or worse off, or just about the same as now?"

CHART 7 - RECENT CHANGES
TREND IN PERSONAL FINANCIAL SITUATION

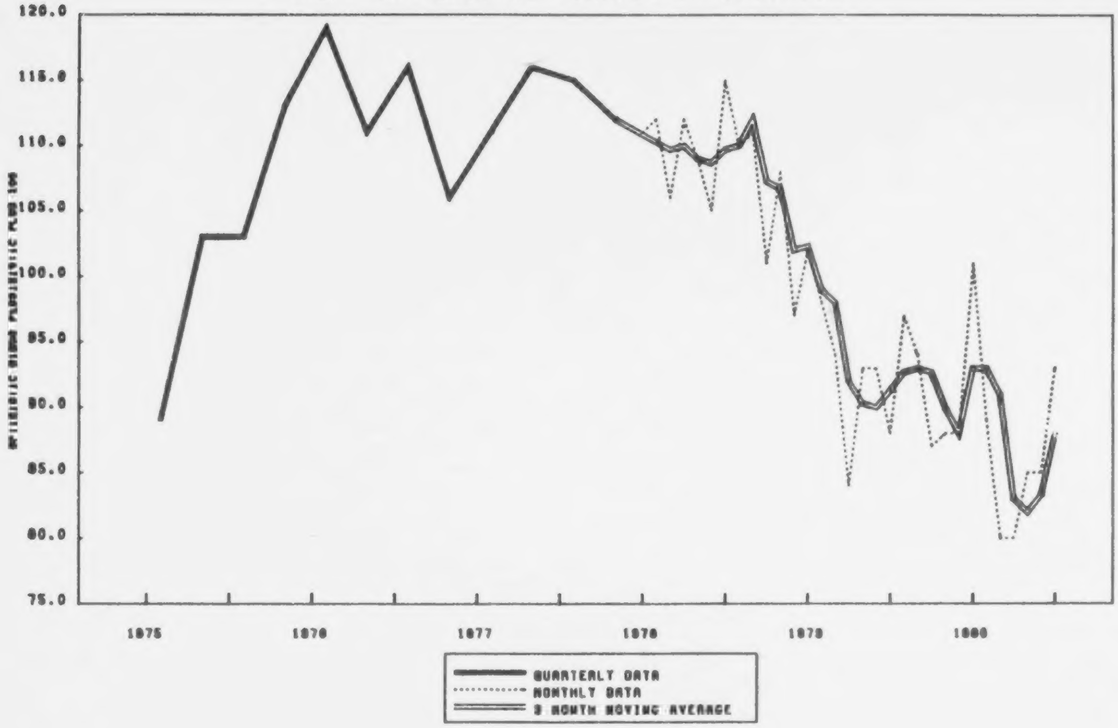

CHART 7 - HISTORICAL SERIES
TREND IN PERSONAL FINANCIAL SITUATION

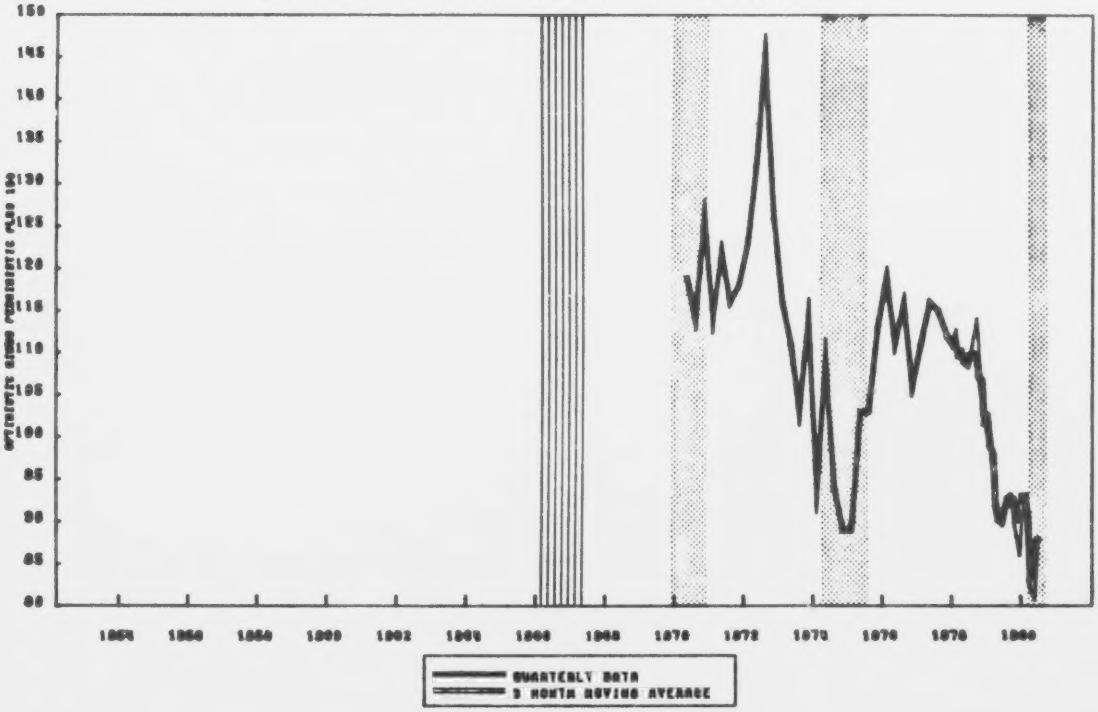

TABLE 7

TREND IN PERSONAL FINANCIAL SITUATION

	July 1979	Aug. 1979	Sept 1979	Oct. 1979	Nov. 1979	Dec 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980
PERSONAL FINANCIAL PROGRESS:													
Continuous increase (a)	11%	13%	11%	11%	11%	12%	15%	13%	7%	8%	11%	10%	12%
Intermittant increase (b)	19	21	20	18	19	18	21	19	16	16	17	16	19
Remained unchanged (c)	16	17	16	14	16	14	16	12	15	14	12	14	14
Intermittant decline (d)	24	22	21	23	25	23	20	25	27	23	27	27	28
Continuous decline (e)	17	16	16	19	16	18	14	18	17	21	16	14	10
Mixed change (f)	9	9	13	12	10	11	10	10	13	16	14	15	11
DK,NA	4	2	3	3	3	4	4	3	5	2	3	4	6
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1173	1212	946	1167	1327	850	769	1019	707	719	703	688	668

Combination of the responses to the questions on Tables 4 and 6.

Key: (a) Better off financially than a year ago/Better off a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

TABLE 8

EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS

	July 1979	Aug. 1979	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980
EXPECT INCREASE:													
1-4%	na	5%	na	na	5%	na	na	6%	na	5%	6%	5%	5%
5%		7			8			8		8	7	7	8
6-9%		17			14			14		14	12	13	11
10-24%		19			19			20		23	24	25	20
25% or more		6			6			9		7	6	8	5
DK how much up		8			8			7		7	8	8	10
EXPECT SAME		27			28			24		25	22	21	21
EXPECT DOWN		8			8			10		9	13	12	18
DK,NA		3			4			2		2	2	1	2
TOTAL		100%			100%			100%		100%	100%	100%	100%
CASES		1212			1327			1019		719	703	688	668

The questions were: "During the next 12 months, do you expect your (family) income to be higher or lower than during the past year?" and "By about what percent do you expect your (family) income to increase during the next 12 months?"

na : Not available.

CHART 9 - RECENT CHANGES
INCOME OR PRICES UP MORE DURING THE LAST YEAR

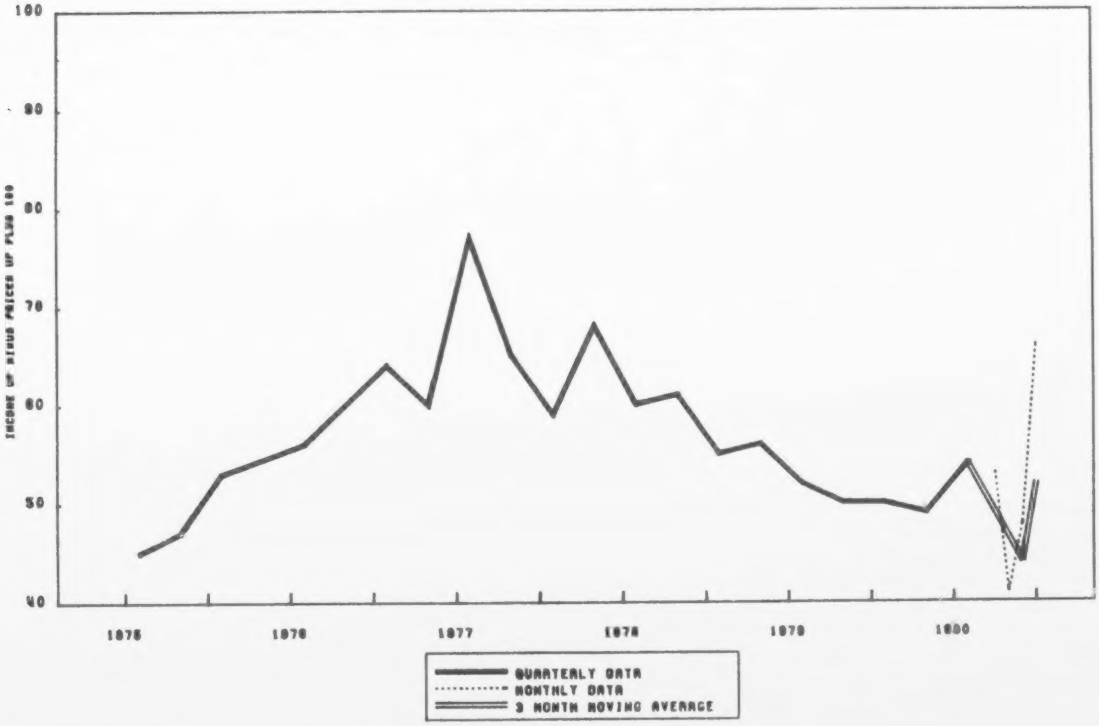

TABLE 9

INCOME OR PRICES UP MORE DURING THE LAST YEAR

	July 1979	Aug. 1979	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980
INCOME UP MORE	na	12%	na	na	12%	na	na	13%	na	11%	8%	11%	12%
INCOME UP SAME		25			23			27		22	22	25	30
PRICES UP MORE		61			63			59		66	67	63	56
DK,NA		2			2			1		1	3	1	2
TOTAL		100%			100%			100%		100%	100%	100%	100%
CASES		1212			1327			1019		719	703	688	668

The question was: "During the last year or two, would you say that your (family) income went up more than prices, went up about the same as prices, or went up less than prices?"

na : Not available.

CHART 10 - RECENT CHANGES
INCOME OR PRICES UP MORE NEXT YEAR

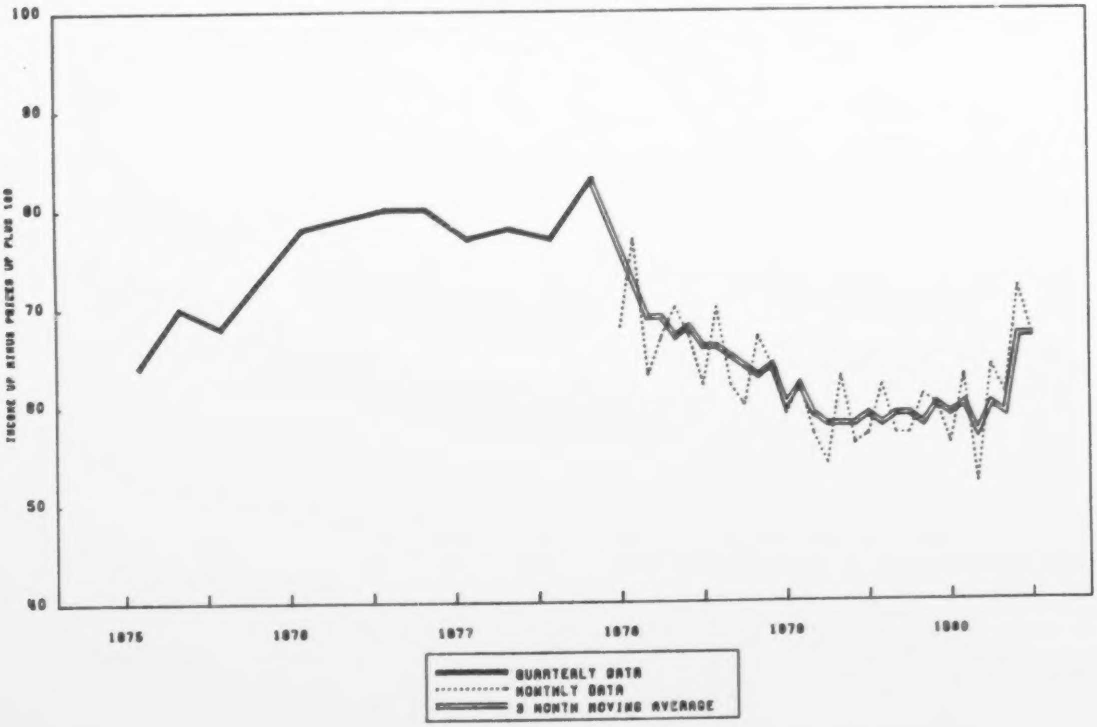

TABLE 10

EXPECT INCOME OR PRICES UP MORE NEXT YEAR

	July 1979	Aug. 1979	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980
INCOME UP MORE	11%	12%	10%	9%	10%	11%	8%	14%	8%	12%	12%	14%	12%
INCOME UP SAME	32	34	34	35	38	34	36	33	32	37	34	41	38
PRICES UP MORE	54	50	53	52	49	51	52	51	56	48	51	42	45
DK,NA	3	4	3	4	3	4	4	2	4	3	3	3	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1173	1212	946	1167	1327	850	769	1019	707	719	703	688	668

The question was: "How about the next year or two--do you expect that your (family) income will go up more than prices will go up, about the same, or less than prices will go up?"

CHART 11 - RECENT CHANGES
TREND IN INCOME AND PRICE COMPARISON

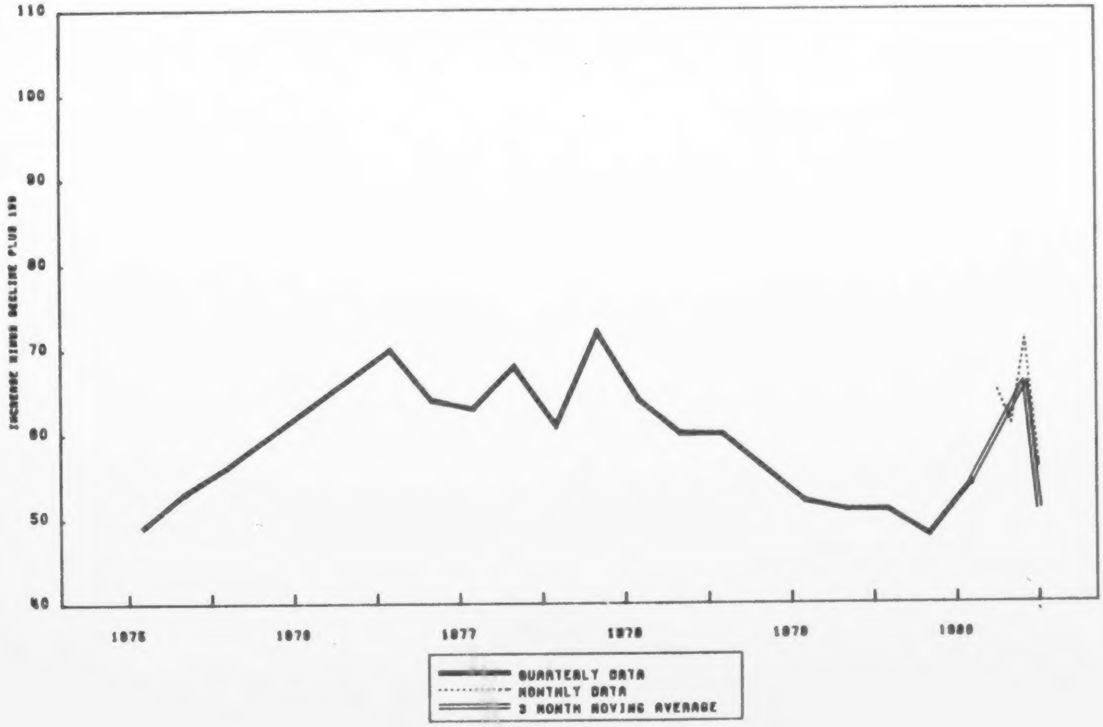

TABLE 11

TREND IN FAMILY INCOME AND PRICES COMPARISONS

	July 1979	Aug. 1979	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980
REAL INCOME PROGRESS:													
Continuous increase (a)	na	4%	na	na	4%	na	na	7%	na	4%	2%	5%	5%
Intermittant increase (b)		8			8			8		8	9	8	9
Remained unchanged (c)		15			14			16		13	11	16	17
Intermittant decline (d)		20			22			19		24	22	26	23
Continuous decline (e)		41			42			42		41	44	35	35
Mixed change (f)		7			6			6		6	6	7	5
DK,NA		5			4			2		4	6	3	6
TOTAL		100%			100%			100%		100%	100%	100%	100%
CASES		1212			1327			1019		719	703	688	668

Combination of the responses to the questions on Tables 9 and 10.

Key: (a) Income up more last year/Income up more next year
(b) Income up more/Same or Income up same/More
(c) Income up same/Same
(d) Prices up more/Same or Prices up same/More
(e) Prices up more/More
(f) Income up more/Prices up more or Prices up more/Income up more

na : Not available.

CHART 12 - RECENT CHANGES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

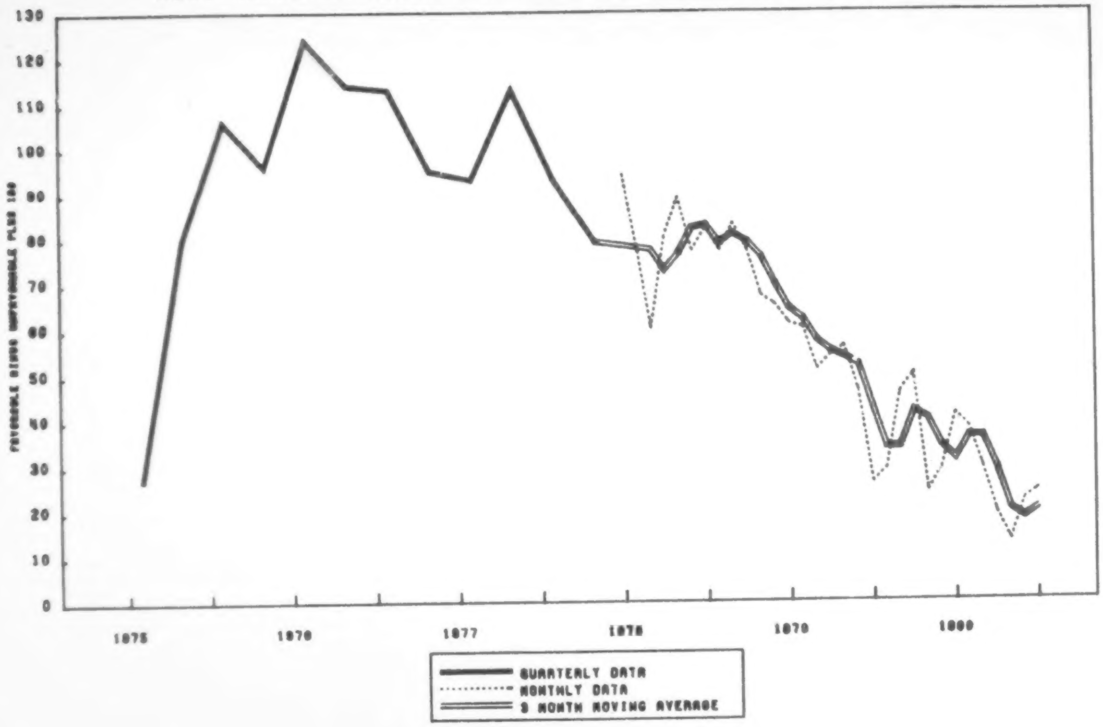

CHART 12 - HISTORICAL SERIES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

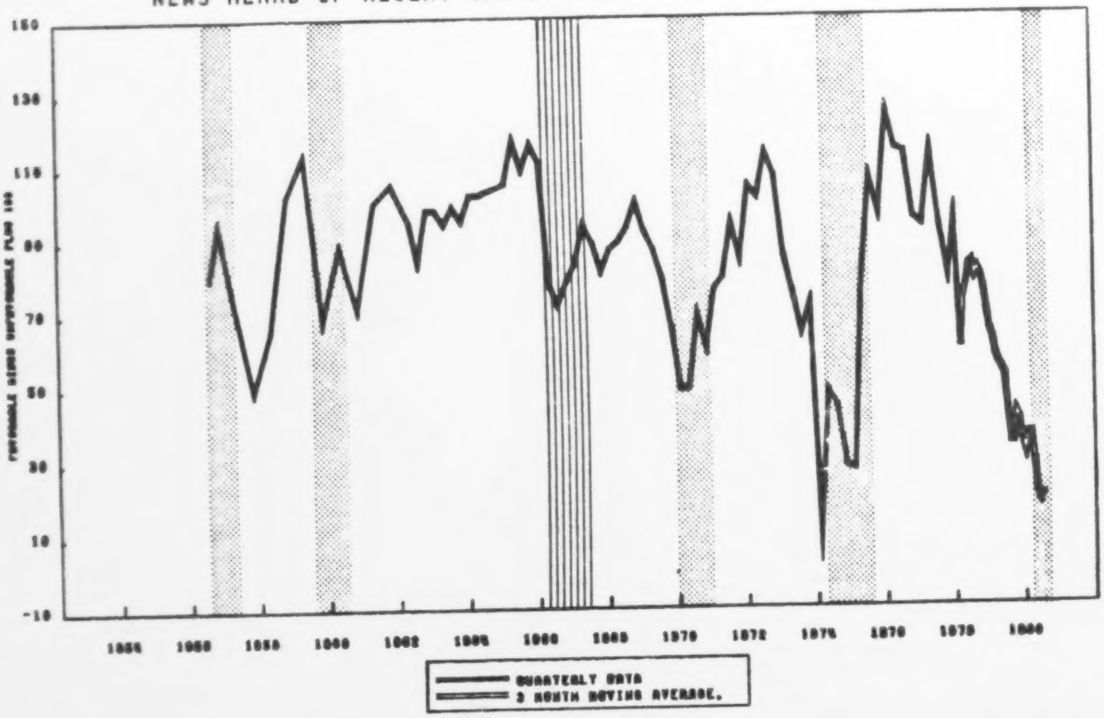

TABLE 12

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	July 1979	Aug. 1979	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980
FAVORABLE NEWS	12%	13%	11%	13%	11%	11%	17%	14%	11%	10%	10%	15%	19%
UNFAVORABLE NEWS	86	89	65	63	87	79	76	76	82	91	97	93	95
NO MENTIONS	33	34	47	47	38	41	39	41	41	35	30	29	30

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

TABLE 13

SELECTED ITEMS OF NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	July 1979	Aug. 1979	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980
FAVORABLE NEWS:													
Government; elections	1%	1%	1%	1%	1%	*	*	1%	1%	1%	*	1%	*
Employment	6	6	4	4	3	4	6	5	3	3	1	3	4
Consumer demand high	1	1	1	1	*	1	1	1	1	1	*	1	1
Prices are low	1	*	*	1	1	*	1	1	*	1	1	1	1
Credit is easy	*	*	*	*	*	1	1	1	*	*	5	7	7
UNFAVORABLE NEWS:													
Government; elections	3	3	3	2	3	3	4	3	3	3	4	2	4
Unemployment	16	21	16	15	16	22	18	19	14	21	40	50	43
Consumer demand low	5	10	6	7	6	10	8	10	8	9	10	9	12
Prices are high	20	20	13	13	16	10	16	14	17	17	11	8	12
Credit is tight	4	5	6	9	20	14	7	9	22	24	16	9	5
Energy crisis	16	11	4	3	5	4	4	4	1	1	*	1	1

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

* : Less than half of one percent.

CHART 14 - RECENT CHANGES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

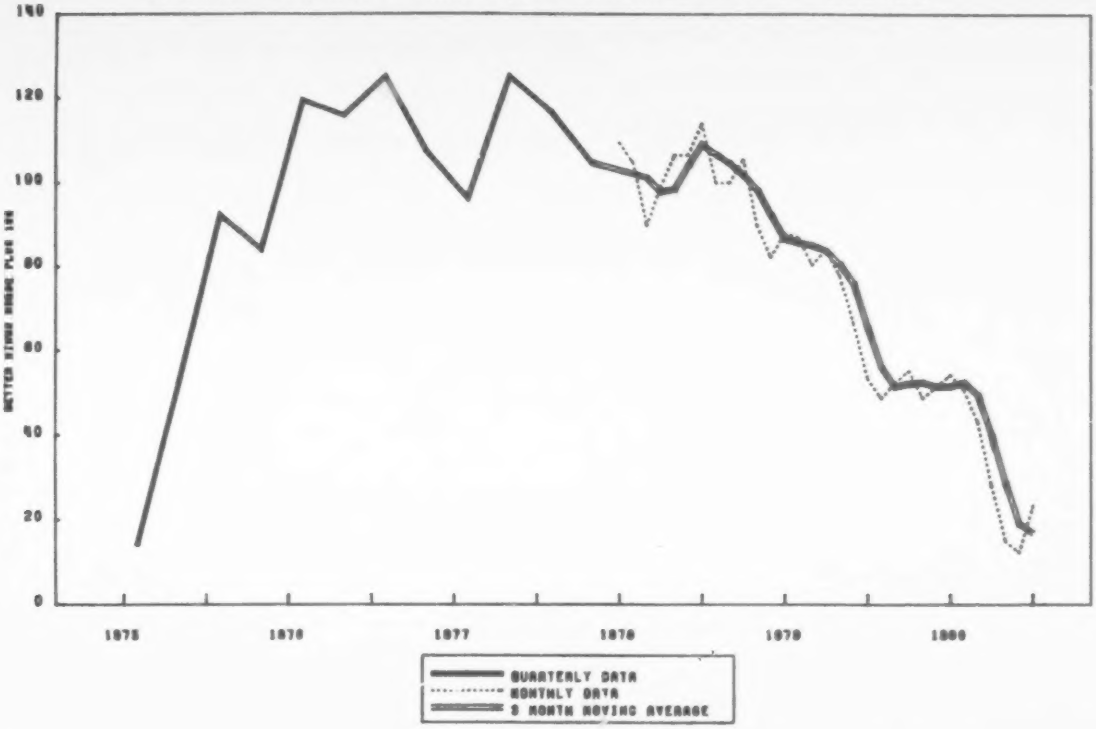

CHART 14 - HISTORICAL SERIES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

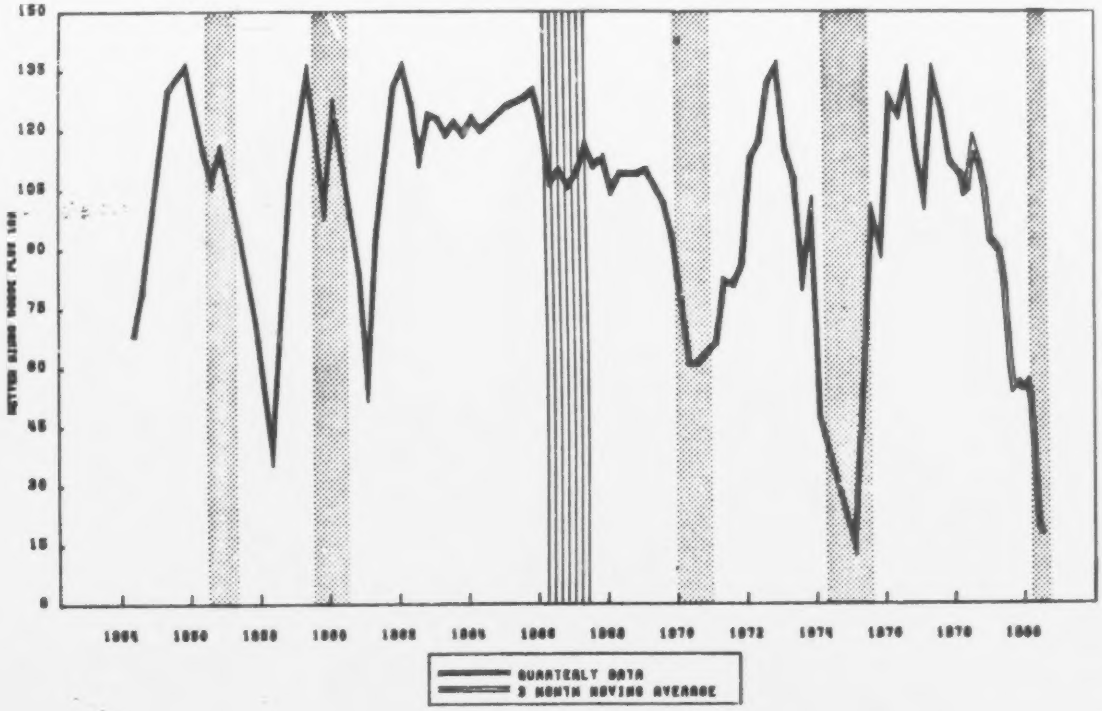

TABLE 14

CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

	July 1979	Aug. 1979	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980
BETTER NOW	21%	20%	22%	22%	19%	21%	21%	21%	15%	10%	6%	4%	10%
SAME	10	10	9	11	13	12	14	10	12	10	4	5	4
WORSE NOW	65	68	66	63	66	65	62	67	69	79	90	90	85
DK,NA	4	2	3	4	2	2	3	2	4	1	*	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1173	1212	946	1167	1327	850	769	1019	707	719	703	688	668

The question was: "Would you say that at the present time business conditions are better or worse than they were a year ago?"

* : Less than half of one percent.

CHART 15 - RECENT CHANGES

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

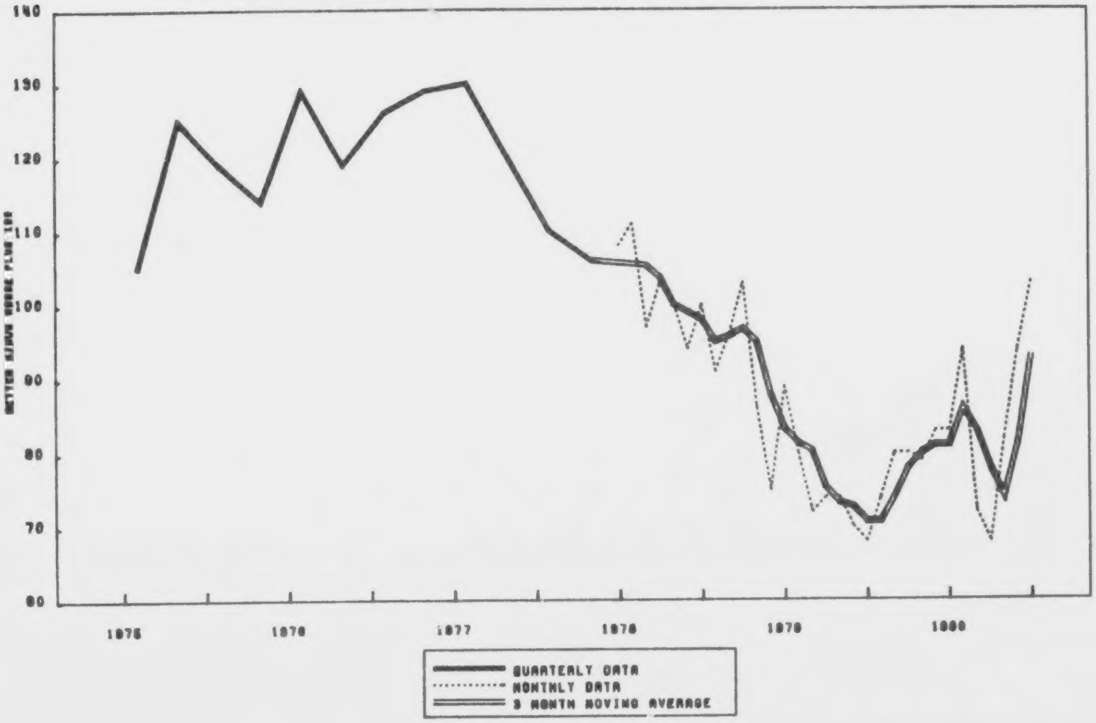

CHART 15 - HISTORICAL SERIES

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

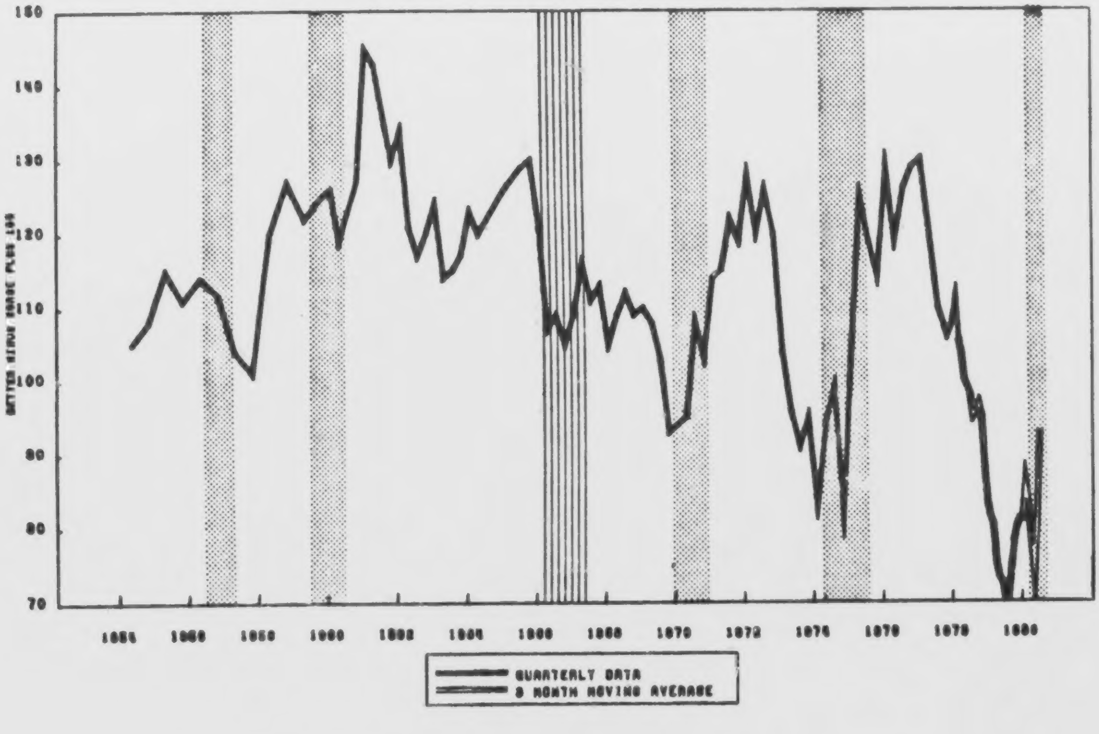

TABLE 15

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

	July 1979	Aug. 1979	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980
BETTER	11%	13%	15%	15%	15%	17%	17%	21%	14%	14%	21%	26%	28%
SAME	43	46	46	47	47	43	45	49	42	37	37	38	43
WORSE	43	39	35	35	36	36	35	27	42	46	39	32	25
DK,NA	3	2	4	3	2	4	3	3	2	3	3	4	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1173	1212	946	1167	1327	850	769	1019	707	719	703	688	668

The question was: "And how about a year from now, do you expect that in the country as a whole business conditions will be better, or worse than they are at present, or just about the same?"

TABLE 16

REASONS FOR OPINIONS ABOUT CHANGES IN BUSINESS CONDITIONS IN A YEAR

	July 1979	Aug. 1979	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980
FAVORABLE REASONS:													
Government; elections	na	6%	na	na	9%	na	na	11%	na	8%	11%	10%	15%
Employment		2			2			4		2	2	3	4
Consumer demand high		3			2			3		1	3	1	2
Prices are low		1			2			1		3	2	3	1
Credit is easy		*			2			1		1	4	5	2
UNFAVORABLE REASONS:													
Government; elections		9			8			13		15	7	7	12
Unemployment		9			9			5		11	14	12	10
Consumer demand low		7			7			7		6	5	5	6
Prices are high		24			23			16		25	14	10	9
Credit is tight		2			7			3		12	6	4	2
Energy crisis		8			6			6		3	2	1	1

The question was: "Why do you expect business conditions to be better/the same/worse a year from now?" following the question on Table 16.

na : Not available.

* : Less than half of one percent.

CHART 17 - RECENT CHANGES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

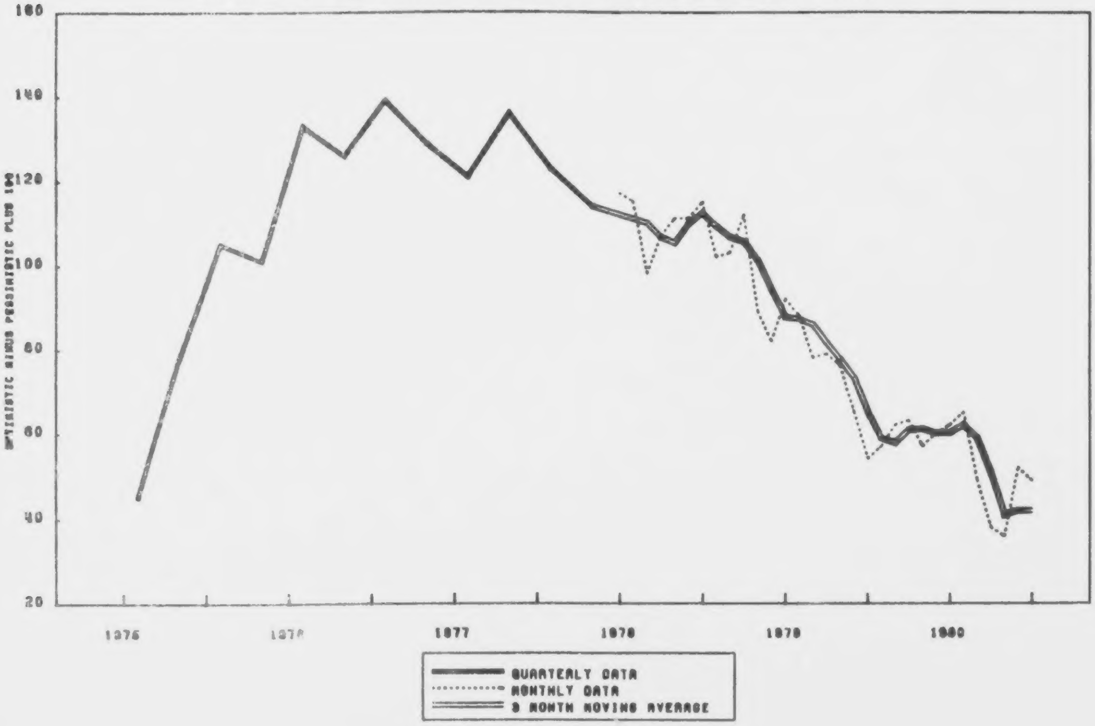

CHART 17 - HISTORICAL SERIES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

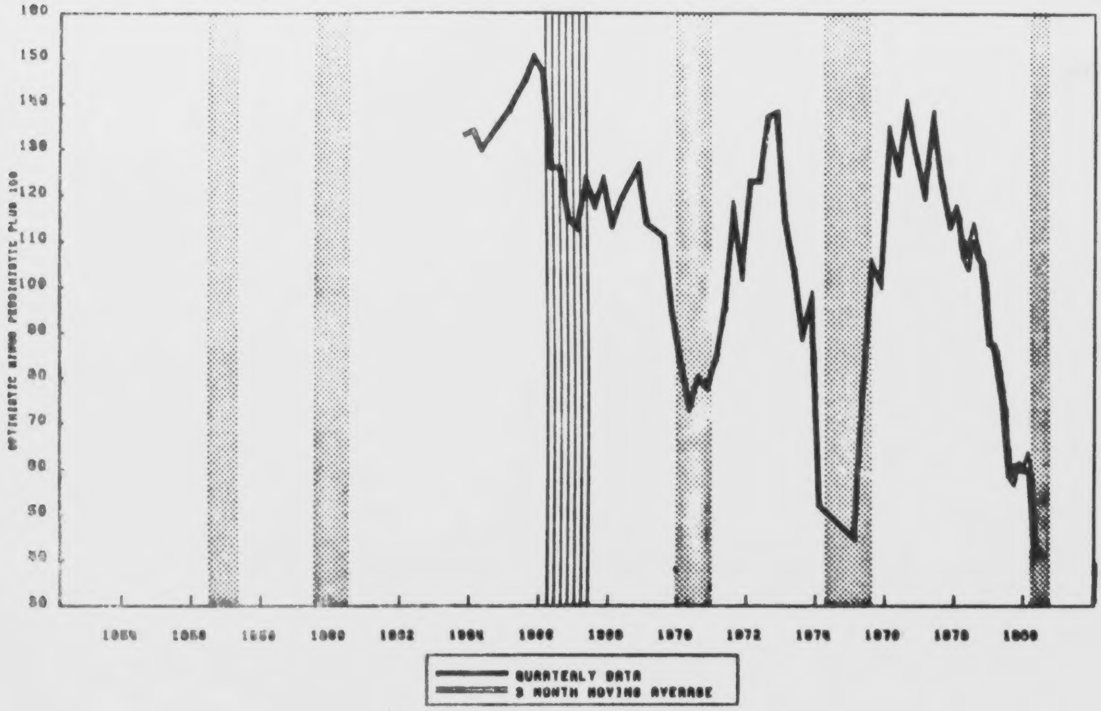

TABLE 17

TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS +

	July 1979	Aug. 1979	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980
TREND:													
Continuous increase (a)	3%	4%	5%	7%	4%	5%	6%	8%	3%	4%	1%	1%	2%
Intermittant increase (b)	13	13	14	12	12	12	10	12	9	6	5	4	7
Remained unchanged (c)	5	5	5	7	8	6	9	6	6	3	1	2	1
Intermittant decline (d)	29	30	30	31	30	29	30	33	31	32	34	35	37
Continuous decline (e)	32	32	28	26	29	28	24	22	32	41	36	30	23
Mixed change (f)	13	12	13	11	14	14	16	15	14	10	20	23	26
DK,NA	5	4	5	6	3	6	5	4	5	4	3	5	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1173	1212	946	1167	1327	850	769	1019	702	719	703	688	668

Combination of the responses to the questions on Tables 14 and 15.

Key: (a) Better than a year ago/Better a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

+ : May add to more than 100% due to multiple mentions.

CHART 18 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

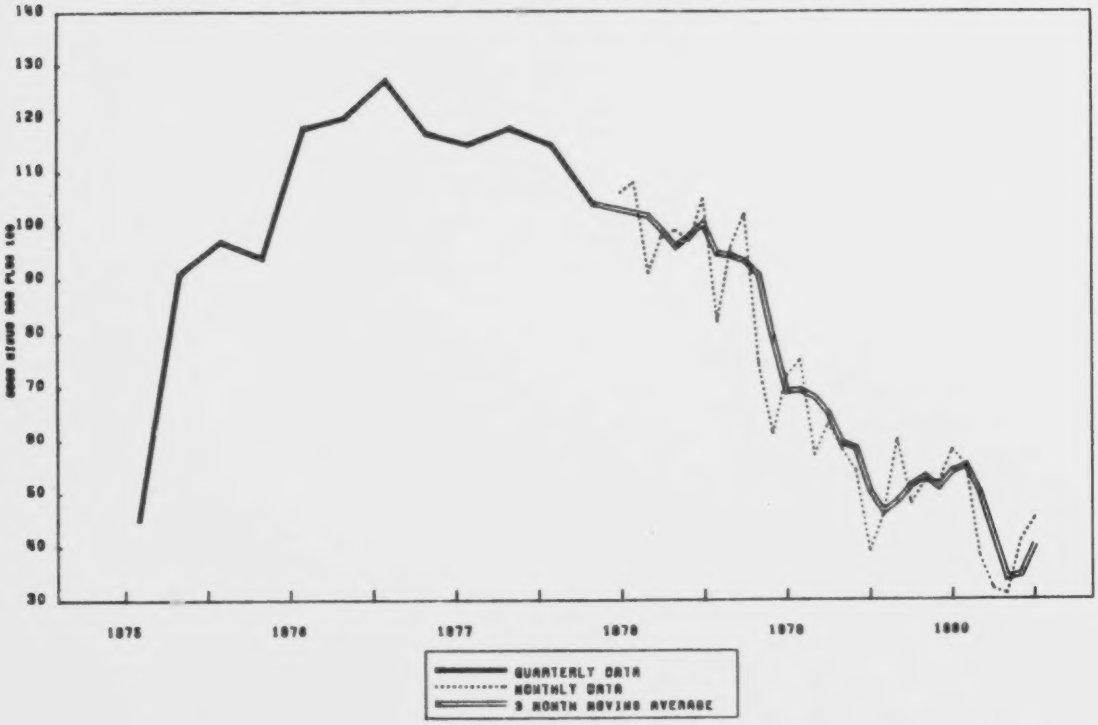

CHART 18 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

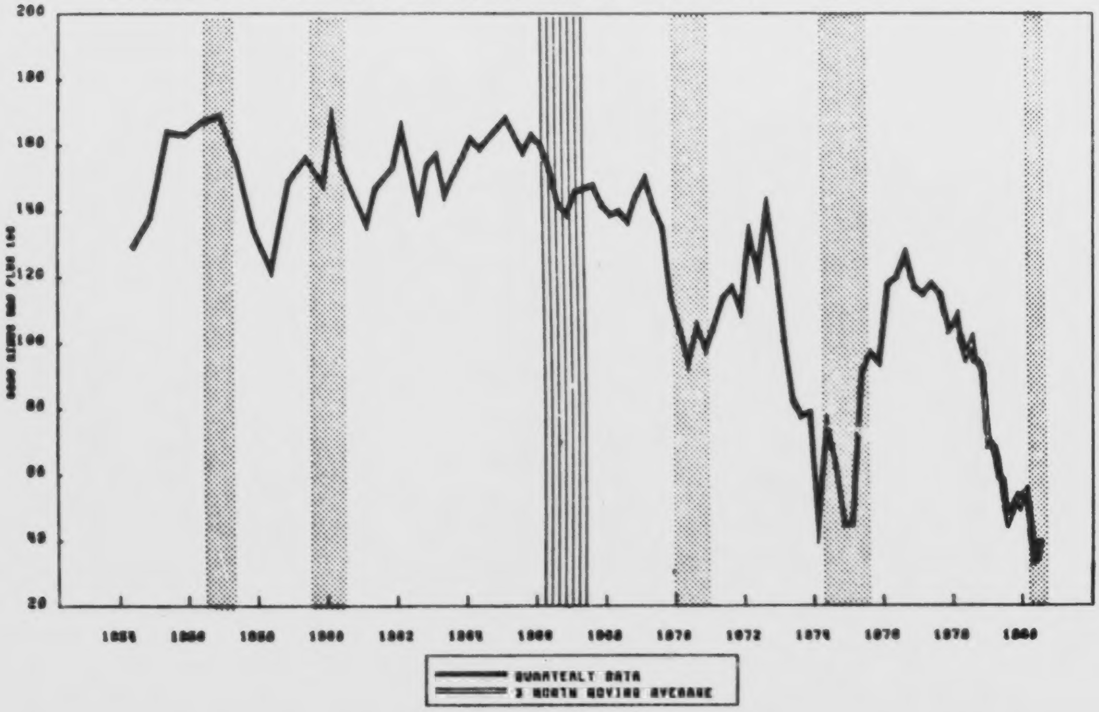

TABLE 18

BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS

	July 1979	Aug. 1979	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980
GOOD TIMES	13%	17%	23%	18%	20%	19%	24%	22%	14%	11%	13%	18%	19%
UNCERTAIN; GOOD & BAD	1	3	3	1	3	2	1	1	1	1	1	1	1
BAD TIMES	74	71	63	70	68	69	66	67	76	79	82	75	74
DON'T KNOW	4	5	5	5	4	4	4	5	4	4	3	4	4
NOT ASCERTAINED	8	4	6	6	5	6	5	5	5	5	1	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1173	1212	946	1167	1327	850	769	1019	707	719	703	688	668

The question was: "Now turning to business conditions in the country as a whole--do you think that during the next 12 months we'll have good times financially, or bad times or what?"

CHART 19 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

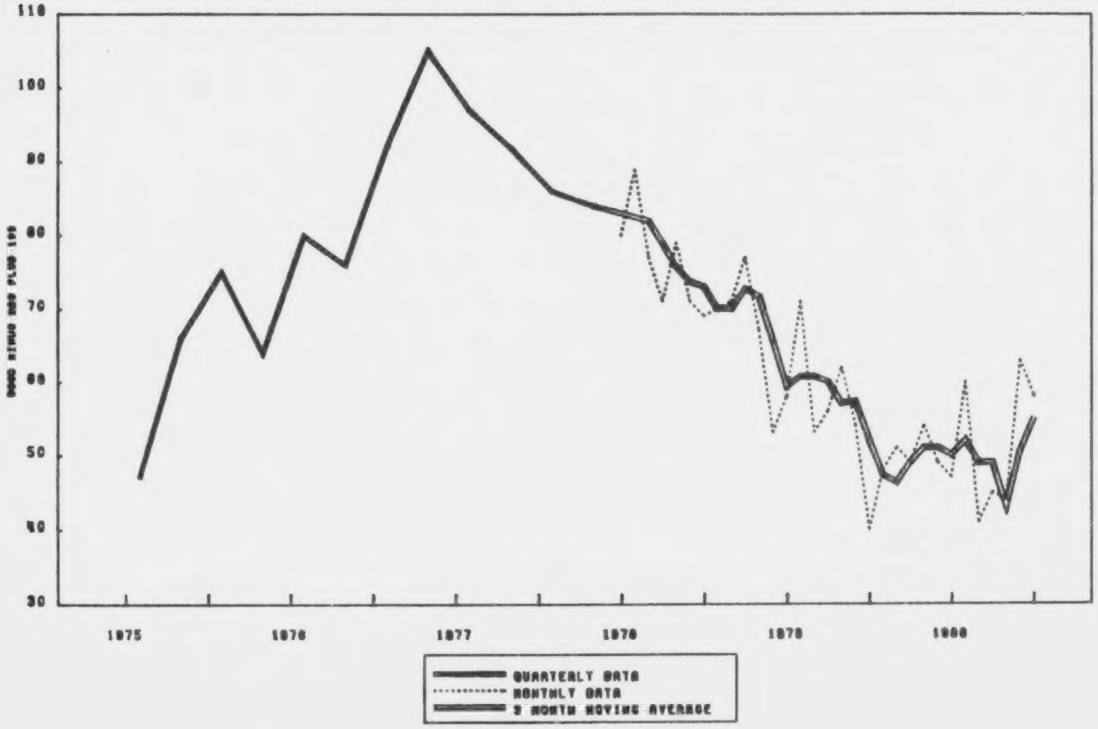

CHART 19 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

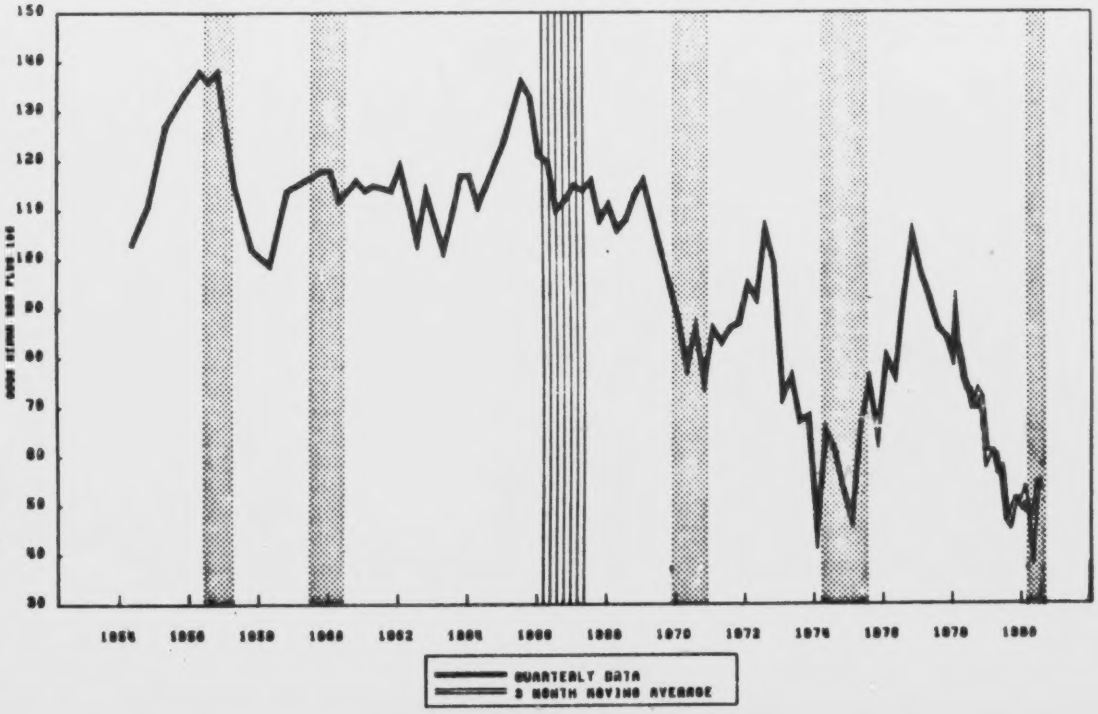

TABLE 19

BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS

	July 1979	Aug. 1979	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980
GOOD TIMES	10%	14%	16%	16%	18%	15%	17%	21%	13%	14%	15%	22%	19%
UNCERTAIN; GOOD & BAD	14	15	16	13	12	15	9	14	10	12	10	12	13
BAD TIMES	70	66	65	67	64	65	70	61	72	69	71	59	61
NOT ASCERTAINED	6	5	3	4	6	5	4	4	5	5	4	7	7
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1173	1212	946	1167	1327	850	769	1019	707	719	703	688	668

The question was: "Looking ahead, which would you say is more likely--that in the country as a whole we'll have continuous good times during the next 5 years or so, or that we will have periods of widespread unemployment or depression, or what?"

CHART 20 - RECENT CHANGES
EXPECTED CHANGE IN UNEMPLOYMENT

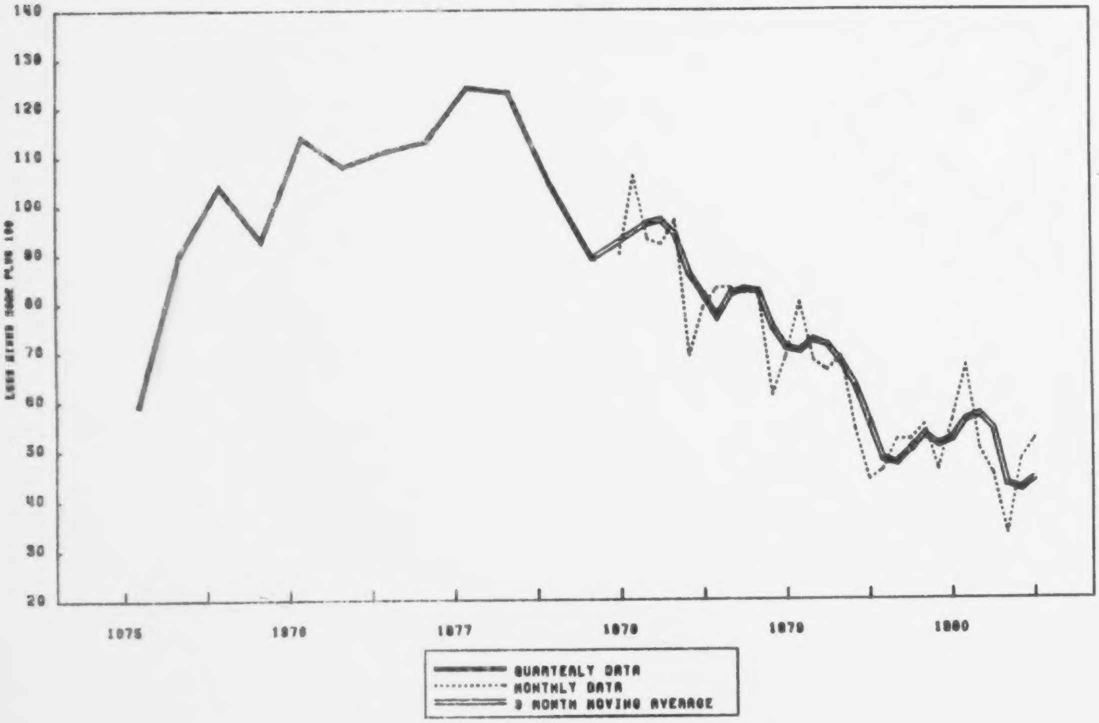

CHART 20 - HISTORICAL SERIES
EXPECTED CHANGE IN UNEMPLOYMENT

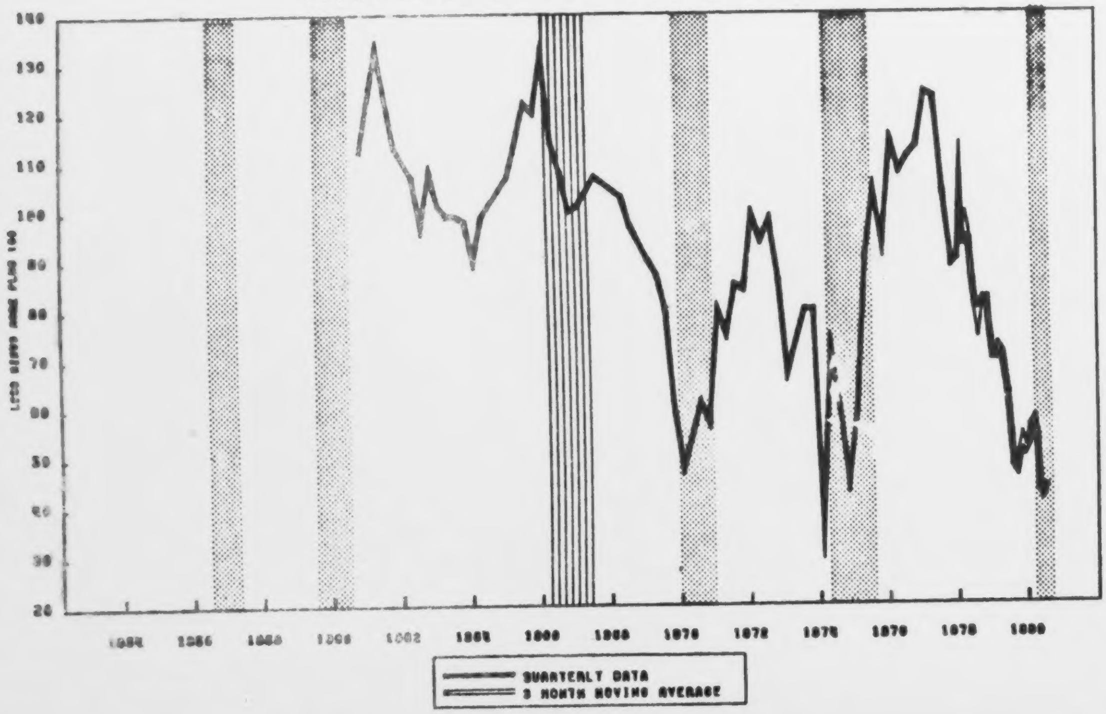

TABLE 20

EXPECTED CHANGE IN UNEMPLOYMENT

	July 1979	Aug. 1979	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980
LESS	6%	7%	7%	7%	8%	8%	9%	13%	7%	7%	5%	11%	11%
SAME	30	30	36	36	36	30	34	38	35	29	23	25	30
MORE	62	62	55	55	54	61	54	46	57	62	72	63	59
DK,NA	2	1	2	2	2	1	3	3	1	2	*	1	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1173	1212	946	1167	1327	850	769	1019	707	719	703	688	668

The question was: "How about people out of work during the coming 12 months--do you think that there will be more unemployment than now, about the same, or less?"

* : Less than half of one percent.

CHART 21 - RECENT CHANGES
EXPECTED CHANGE IN INTEREST RATES

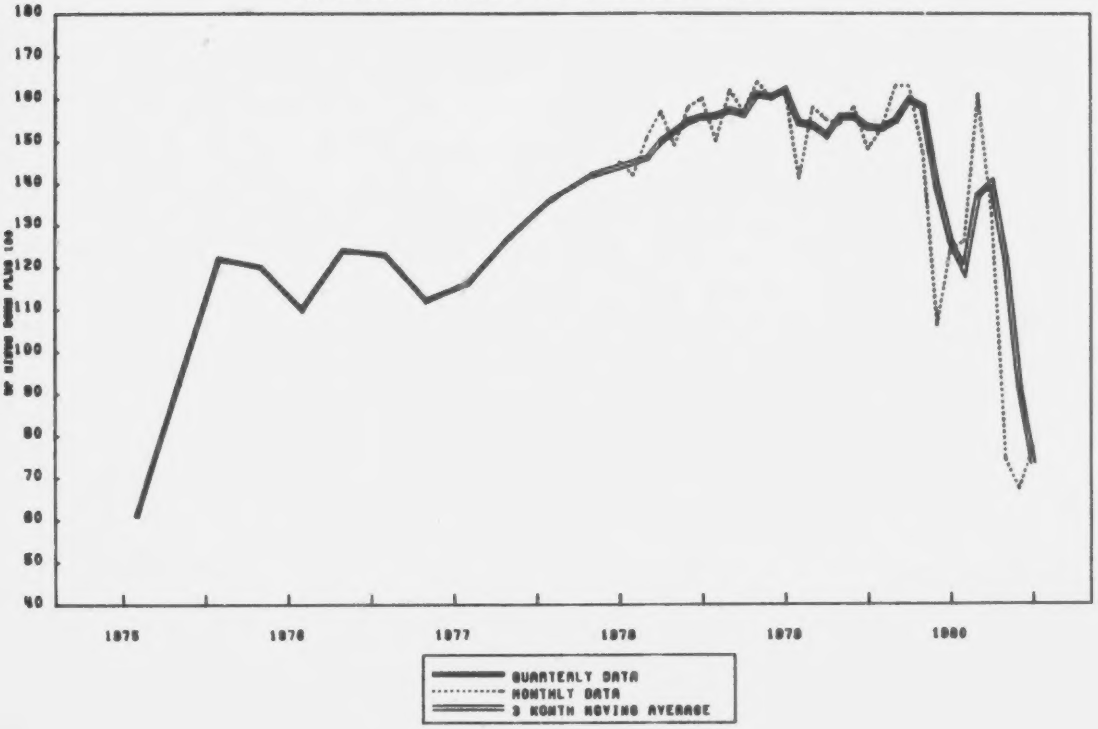

CHART 21 - HISTORICAL SERIES
EXPECTED CHANGE IN INTEREST RATES

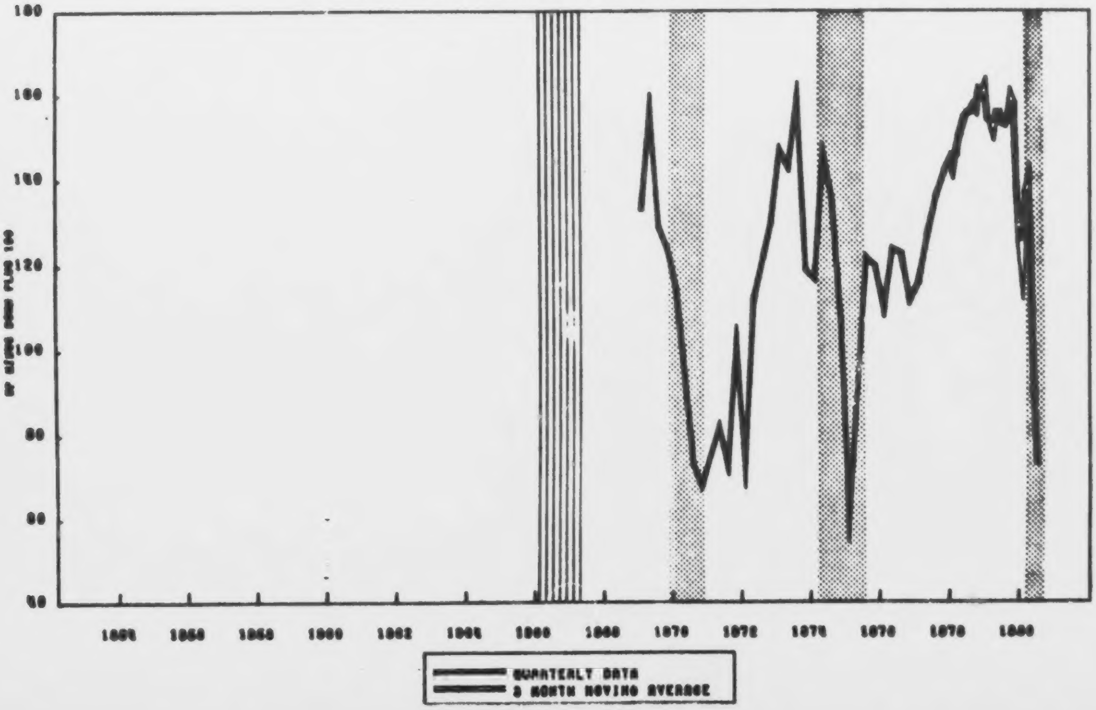

TABLE 21

EXPECTED CHANGE IN INTEREST RATES

	July 1979	Aug. 1979	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980
GO UP	60%	61%	70%	70%	62%	40%	45%	47%	71%	56%	26%	21%	21%
STAY THE SAME	24	26	20	20	20	22	30	29	16	18	20	22	31
GO DOWN	12	8	7	7	15	34	21	21	10	24	52	54	44
DK,NA	4	5	3	3	3	4	4	3	3	2	2	3	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1173	1212	946	1167	1327	850	769	1019	707	719	703	688	668

The question was: "No one can say for sure, but what do you think will happen to interest rates for borrowing money during the next 12 months--will they go up, stay the same, or go down?"

TABLE 22

CHANGE IN PRICES DURING THE LAST 12 MONTHS

	July 1979	Aug. 1979	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980
SAME OR DOWN	1%	1%	na	na	2%	1%	1%	3%	2%	2%	5%	6%	4%
GONE UP BY:													
1-2%	2	2			1	3	1	1	2	2	1	1	3
3-4%	3	3			3	3	4	3	4	3	4	3	5
5%	6	7			5		6	6	6	5	5	6	7
6-9%	10	9			10	10	6	9	8	9	6	10	11
10% or more	61	65			64	64	67	66	67	67	64	58	52
DK how much up	17	13			15	14	15	12	11	12	15	15	18
DK,NA	*	*			*	*	*	*	*	*	*	1	*
TOTAL	100%	100%			100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	15.4	15.5			16.0	16.4	16.6	16.1	16.6	17.4	15.9	14.4	14.5
VARIANCE	150	142			162	188	176	149	167	179	175	140	168
CASES	1173	1212			1327	850	769	1019	707	719	703	688	668

The questions were: "During the last 12 months, have prices of the things you buy remained unchanged, or have they gone up, or have they gone down?" and "By about what percent do you think prices have gone up,on the average, during the last 12 months?"

na : Not available.

* : Less than half of one percent.

CHART 23 - RECENT CHANGES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

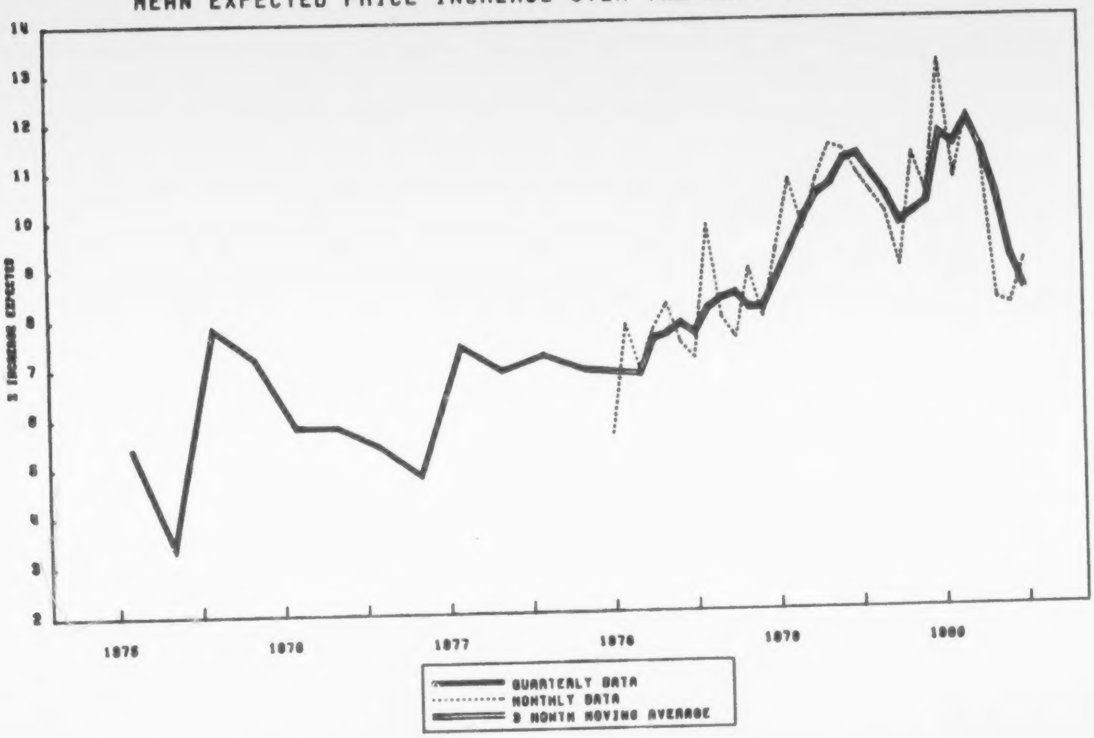

CHART 23 - HISTORICAL SERIES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

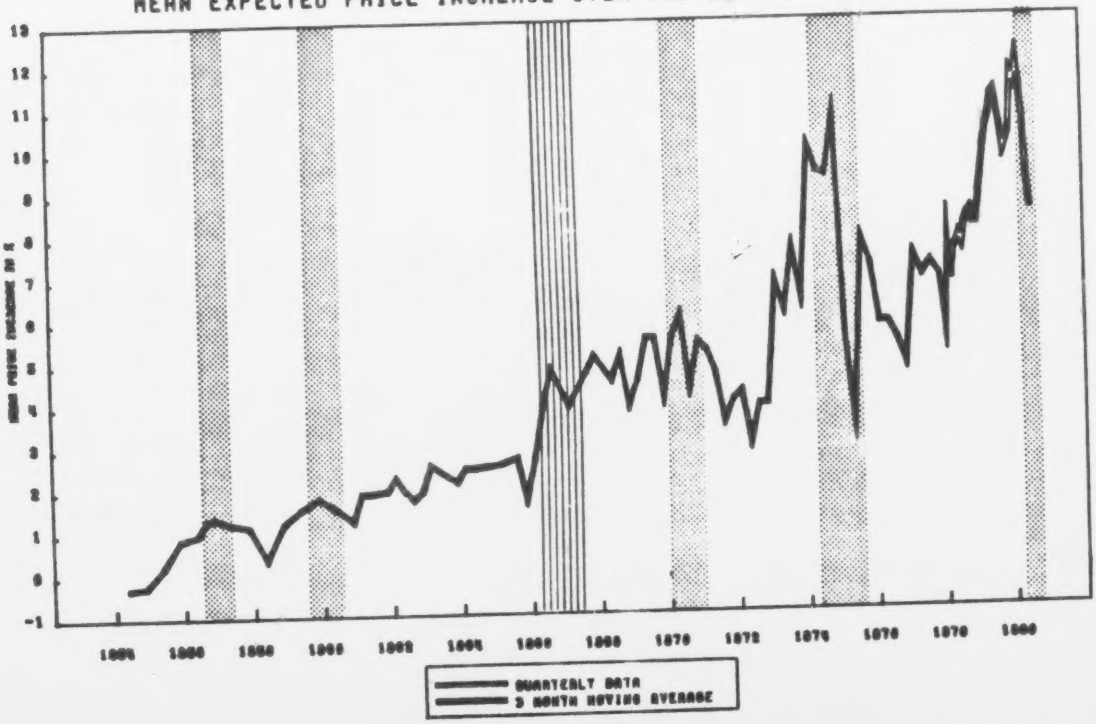

TABLE 23

EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

	July 1979	Aug. 1979	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980
SAME OR DOWN	12%	13%	12%	13%	12%	14%	9%	8%	13%	20%	31%	27%	22%
WILL GO UP BY:													
1-2%	2	2	5	4	2	3	2	4	3	2	1	3	3
3-4%	6	6	5	6	5	4	4	4	4	3	4	6	5
5%	10	9	8	10	7	7	7	11	8	7	9	7	7
6-9%	12	12	15	14	13	13	12	12	9	8	9	10	10
10% or more	45	47	41	36	48	47	53	50	53	49	35	34	37
DK how much up	11	10	13	16	12	9	11	10	7	9	10	10	13
DK,NA	2	1	1	1	1	3	2	1	3	2	1	3	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	10.8	10.4	9.7	8.9	11.2	10.8	13.1	10.7	12.0	11.1	8.2	8.1	9.0
VARIANCE	100	92	89	71	111	103	139	84	122	125	92	89	95
CASES	1173	1212	946	1167	1327	850	769	1019	707	719	703	688	668

The questions were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" and "By about what percent do you expect prices to go up, on the average, during the next 12 months?"

CHART 24 - RECENT CHANGES
UNEMPLOYMENT OR INFLATION MORE SERIOUS

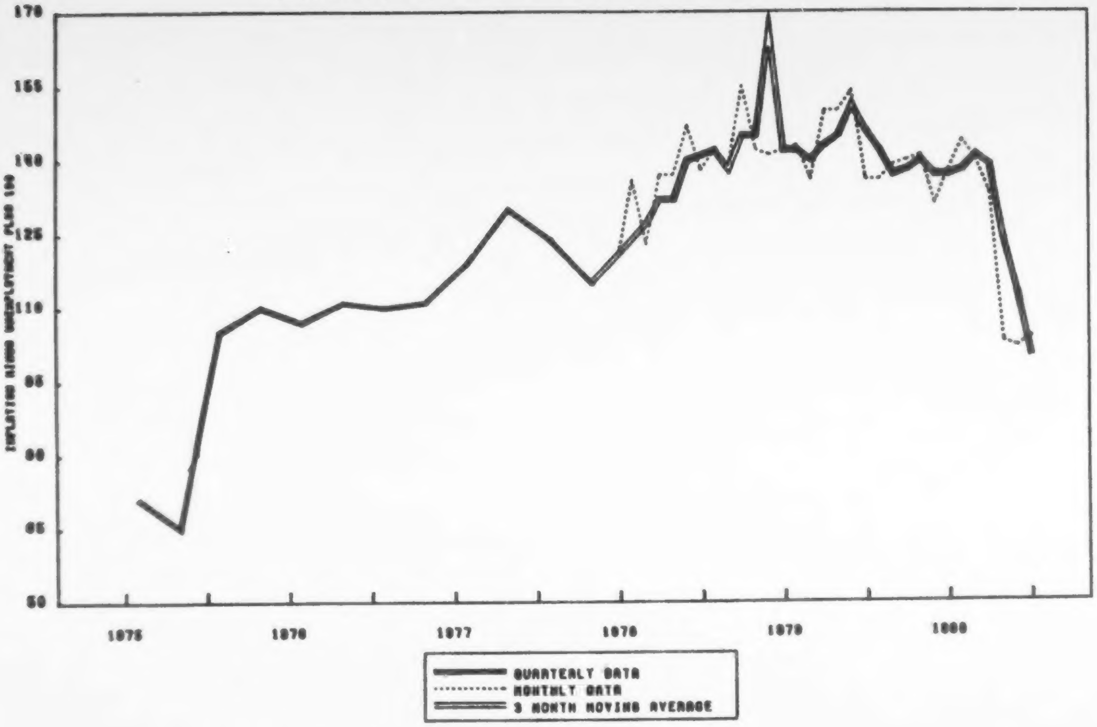

CHART 24 - HISTORICAL SERIES
UNEMPLOYMENT OR INFLATION MORE SERIOUS

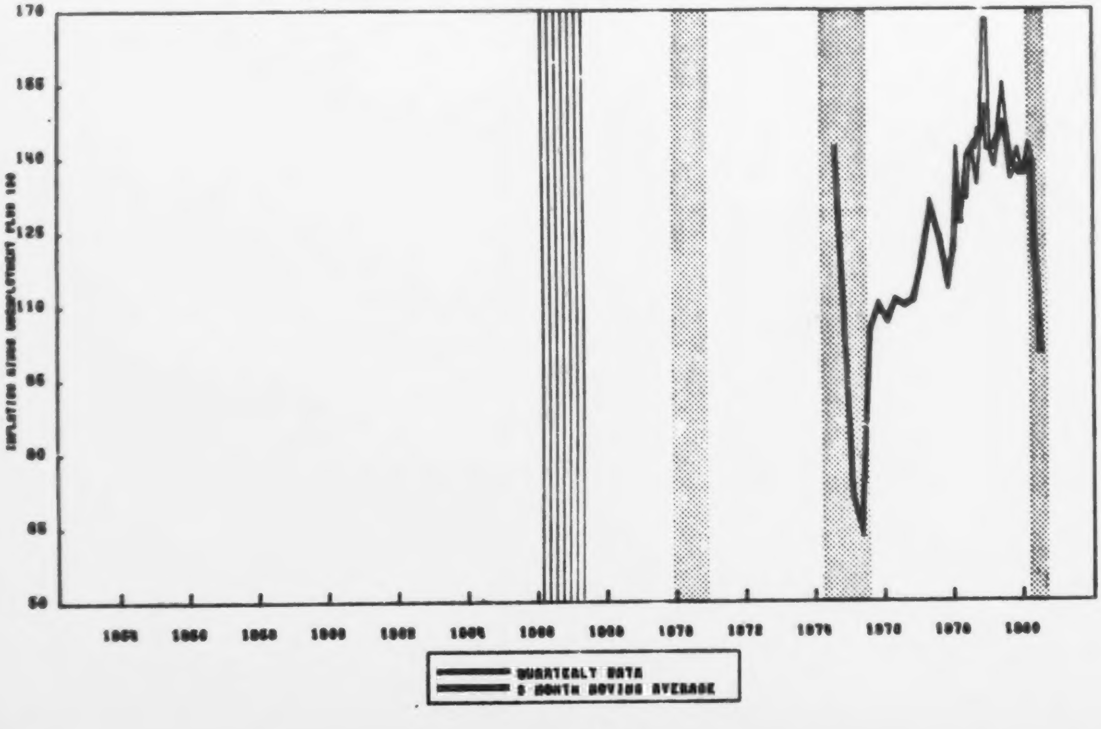

TABLE 24

UNEMPLOYMENT OR INFLATION MORE SERIOUS

	July 1979	Aug. 1979	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980
UNEMPLOYMENT	26%	27%	26%	25%	24%	29%	26%	24%	25%	26%	40%	43%	45%
BOTH EQUALLY SERIOUS	10	9	7	8	8	9	7	7	8	14	16	11	11
INFLATION	62	63	65	65	65	60	64	68	65	59	43	45	41
DK,NA	2	1	2	2	3	2	3	1	2	1	1	1	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1173	1212	946	1167	1327	850	769	1019	707	719	703	688	668

The question was: "Which of the two problems--unemployment or inflation--do you think will cause the more serious economic hardship for people during the next year or so?"

CHART 25 - RECENT CHANGES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

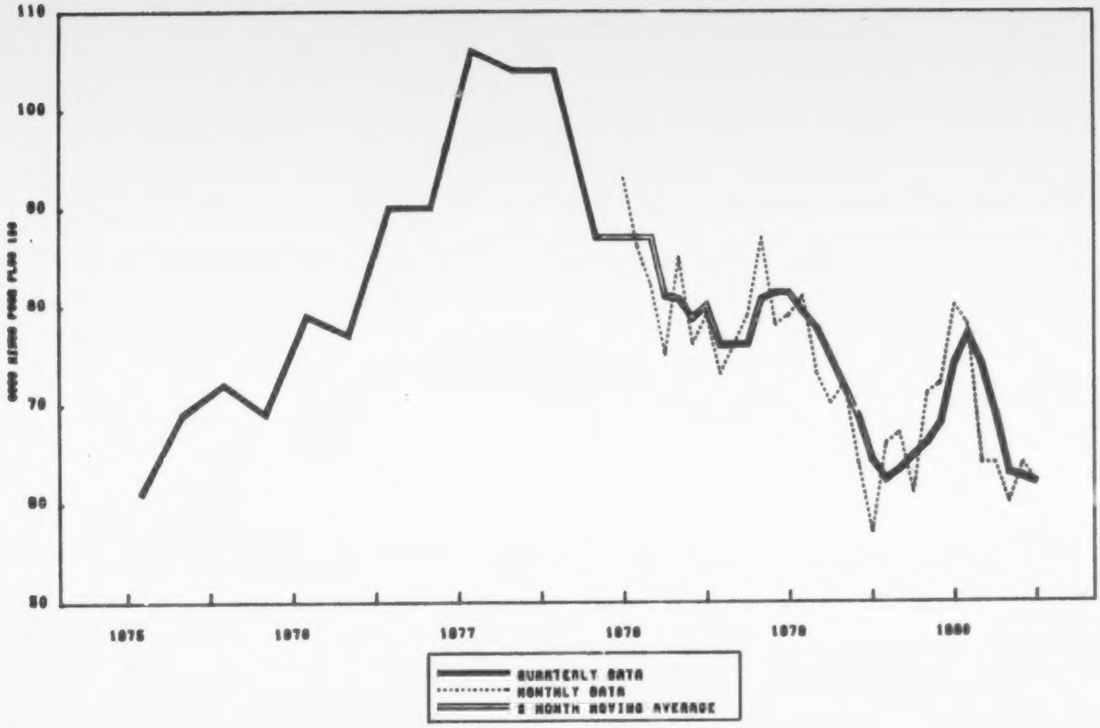

CHART 25 - RECENT CHANGES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

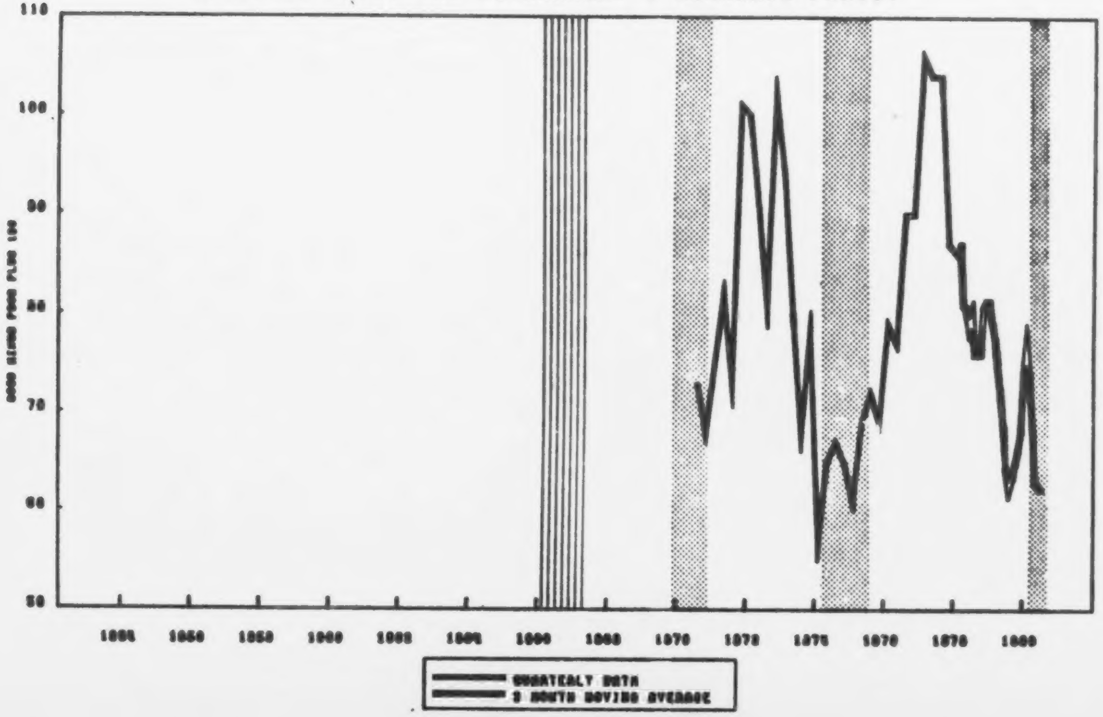

TABLE 25

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

	July 1979	Aug. 1979	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980
A GOOD JOB	5%	8%	7%	6%	10%	9%	11%	12%	7%	6%	5%	10%	9%
ONLY FAIR	43	48	51	46	47	49	54	51	46	48	48	40	41
A POOR JOB	48	42	40	45	39	38	31	34	43	42	45	46	47
DK,NA	4	2	2	3	4	4	4	3	4	4	2	4	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1173	1212	946	1167	1327	850	769	1019	707	719	703	688	668

The question was: "As to the economic policy of the government--I mean steps taken to fight inflation or unemployment--would you say the government is doing a good job, only fair, or a poor job?"

CHART 26 - RECENT CHANGES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

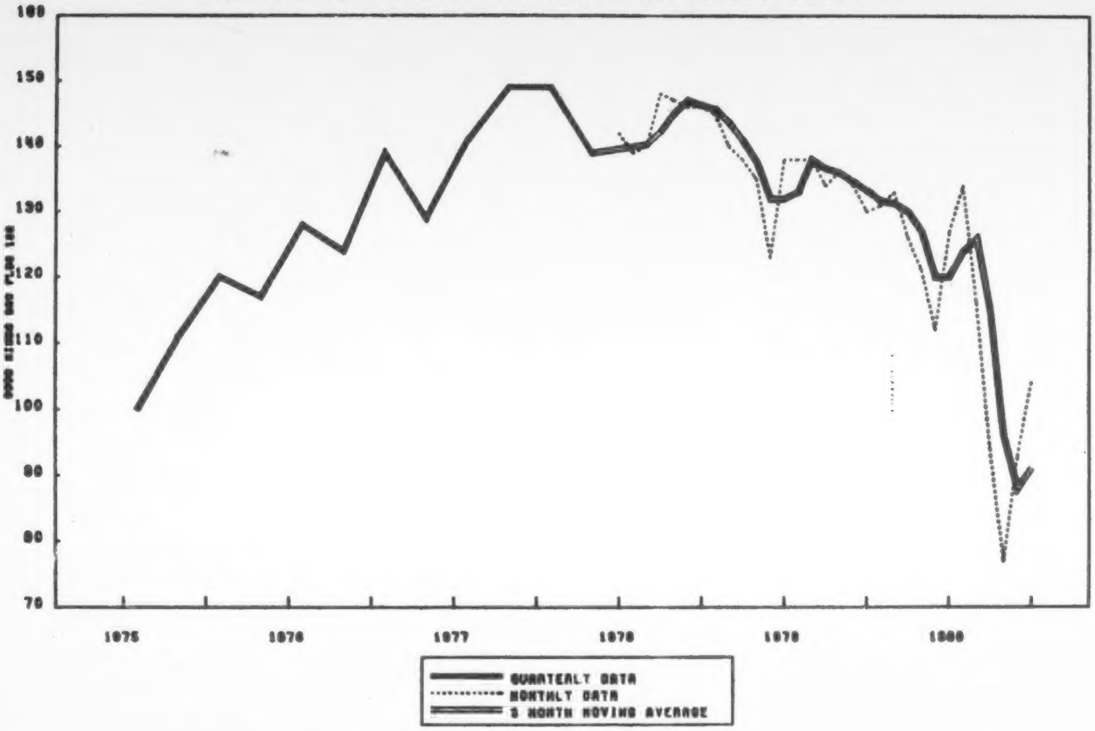

CHART 26 - HISTORICAL SERIES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

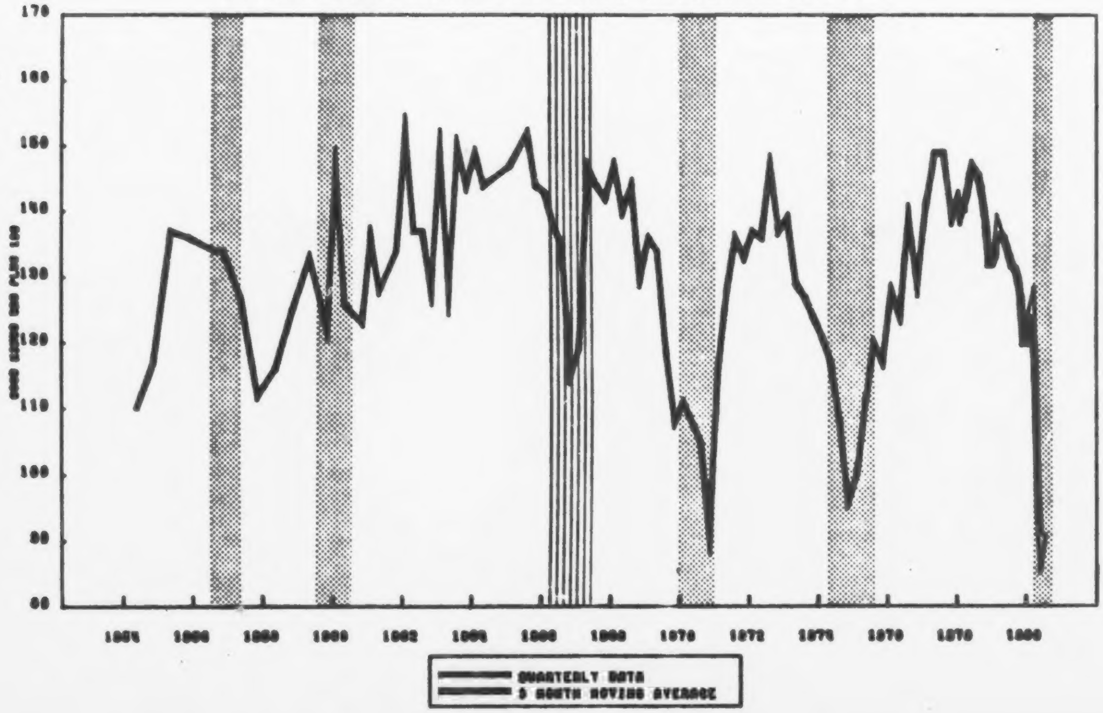

TABLE 26

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

	July 1979	Aug. 1979	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980
GOOD TIME TO BUY	60%	58%	62%	58%	53%	52%	60%	60%	54%	41%	35%	41%	44%
UNCERTAIN, DEPENDS	10	15	9	10	14	6	7	14	8	12	7	11	16
BAD TIME TO BUY	30	27	29	32	33	42	33	26	38	47	58	48	40
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1173	1212	946	1167	1327	850	769	1019	707	719	703	688	668

The question was: "About the big things people buy for their homes--such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a good or a bad time for people to buy major household items?"

TABLE 27

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS +

	July 1979	Aug. 1979	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980
GOOD TIME TO BUY:													
Prices are low; good buys available	9%	19%	13%	8%	18%	12%	17%	23%	12%	9%	14%	16%	19%
Prices won´t come down; are going higher	46	33	42	48	27	38	47	33	43	28	23	26	22
Interest rates low; credit is easy	2	1	3	5	2	3	3	3	5	3	2	3	5
BAD TIME TO BUY:													
Prices are high	19	17	18	18	20	25	20	16	23	30	34	29	23
Interest rates are high; credit is tight	11	5	11	9	13	17	12	11	19	28	31	24	19
People lack purchasing power	9	9	11	14	9	15	19	8	12	14	16	15	20

Responses to the query: "Why do you say so?" following the question on Table 26.

+ : May add to more than 100% due to multiple mentions.

CHART 28 - RECENT CHANGES
BUYING CONDITIONS FOR HOUSES

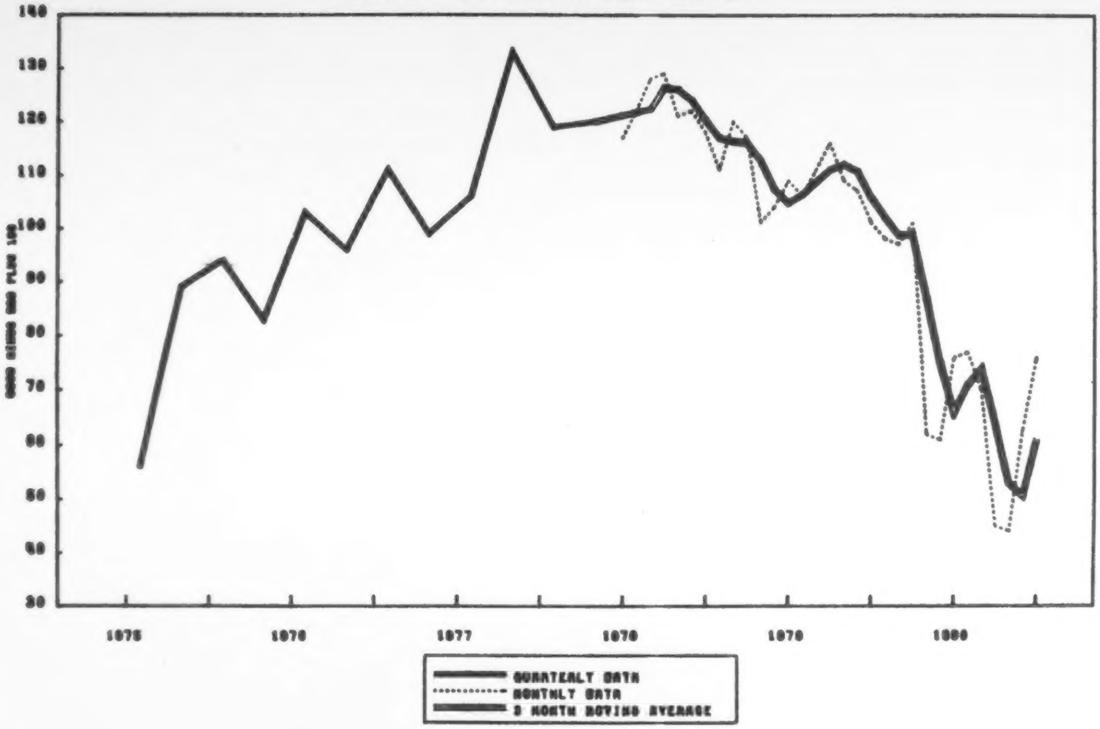

CHART 28 - HISTORICAL SERIES
BUYING CONDITIONS FOR HOUSES

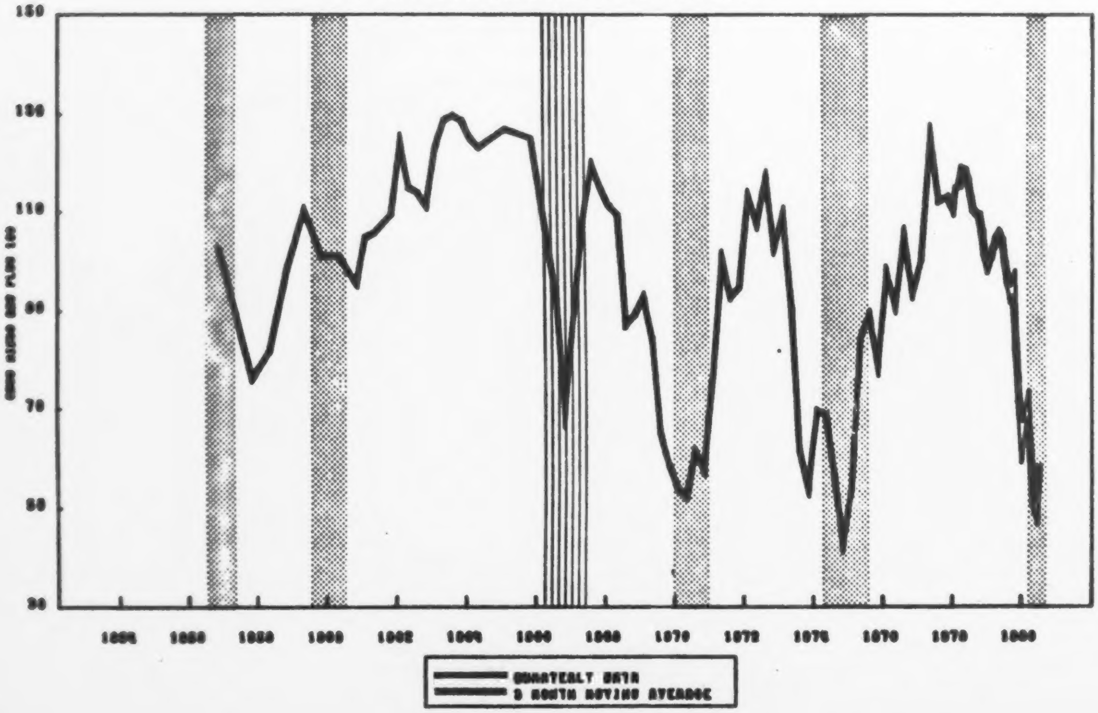

TABLE 28

BUYING CONDITIONS FOR HOUSES

	July 1979	Aug. 1979	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980
GOOD TIME TO BUY	48%	46%	46%	47%	28%	28%	36%	36%	32%	19%	18%	29%	34%
UNCERTAIN, DEPENDS	5	6	5	6	6	6	4	5	6	7	8	5	8
BAD TIME TO BUY	47	48	49	47	66	66	60	59	62	74	74	66	58
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1173	1212	946	1167	1327	850	769	1019	707	719	703	688	668

The question was: "Generally speaking, do you think now is a good time or a bad time to buy a house?"

TABLE 29

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES +

	July 1979	Aug. 1979	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980
GOOD TIME TO BUY:													
Prices are low; good buys available	na	3%	na	na	3%	na	na	4%	na	4%	3%	6%	9%
Prices won´t come down; are going higher		30			17			20		8	8	11	12
Interest rates low; credit is easy		10			8			9		3	6	16	23
Good investment		12			8			12		9	7	5	6
BAD TIME TO BUY:													
Prices are high		31			31			30		31	30	27	30
Interest rates are high; credit is tight		31			68			56		76	75	66	53
People lack purchasing power		9			9			8		8	9	10	15

Responses to the query: "Why do you say so?" following the question on Table 28.

+ : May add to more than 100% due to multiple mentions.

na : Not available.

CHART 30 - RECENT CHANGES
BUYING CONDITIONS FOR CARS

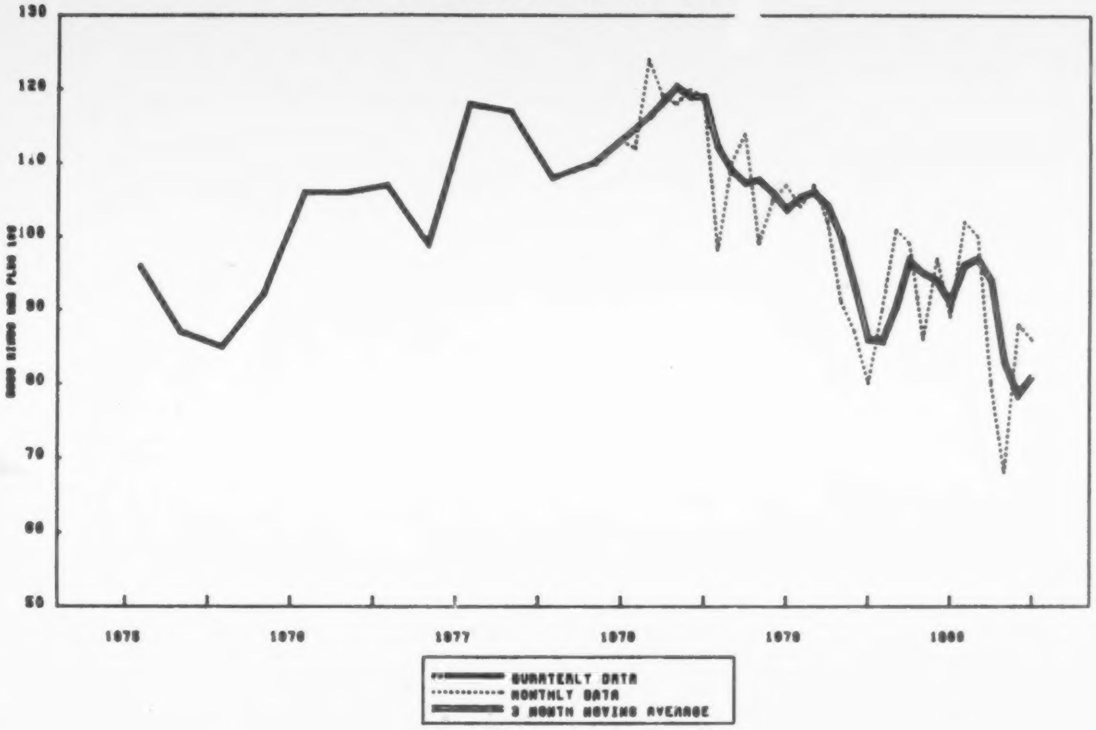

CHART 30 - HISTORICAL SERIES
BUYING CONDITIONS FOR CARS

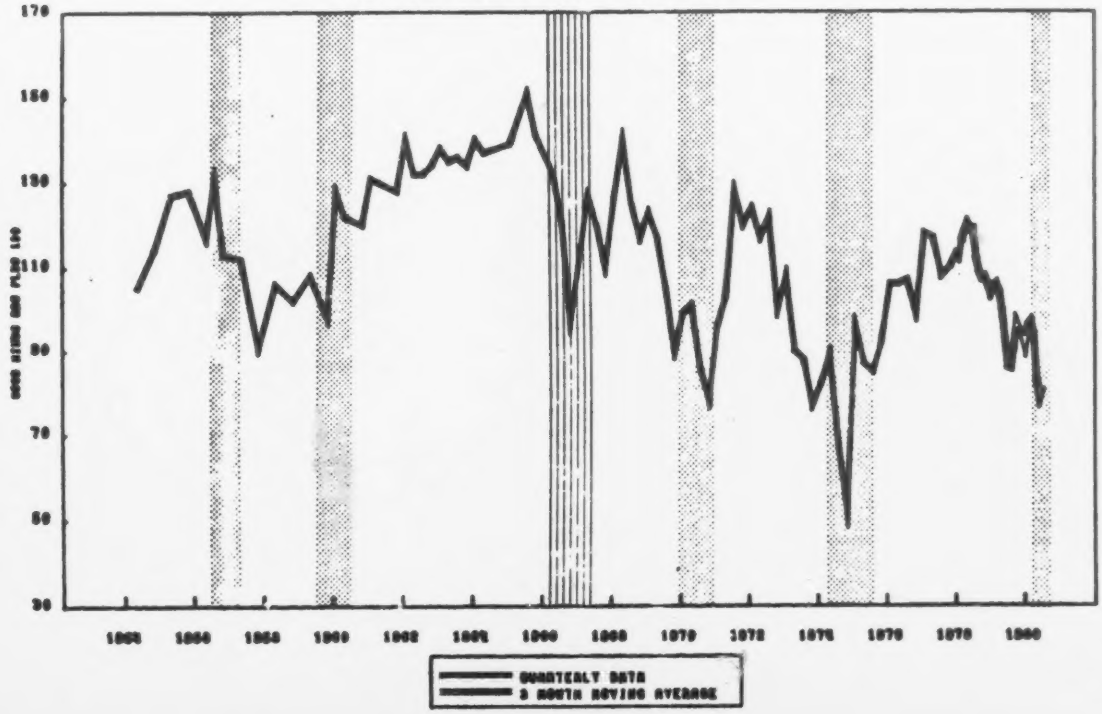

TABLE 3

BUYING CONDITIONS FOR CARS

	July 1979	Aug. 1979	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980
GOOD TIME TO BUY	32%	38%	44%	45%	38%	44%	40%	47%	45%	35%	29%	37%	36%
UNCERTAIN; DEPENDS	16	14	11	9	10	9	10	8	10	10	10	14	14
BAD TIME TO BUY	52	48	45	46	52	47	50	45	45	55	61	49	50
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1173	1212	946	1167	1327	850	769	1019	707	719	703	688	668

The question was: "Speaking now of the automobile market--do you think the next 12 months or so will be a good time or a bad time to buy a car?"

TABLE 31

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS +

	July 1979	Aug. 1979	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980
GOOD TIME TO BUY:													
Prices are low; good buys available	11%	17%	21%	16%	14%	20%	13%	21%	19%	15%	25%	27%	25%
Prices won't come down; are going higher	17	14	21	23	16	20	22	19	22	10	8	9	13
Interest rates low; credit is easy	1	1	2	3	2	1	2	3	3	4	1	3	4
New fuel efficient models	11	11	9	8	8	10	8	14	13	12	6	5	3
BAD TIME TO BUY:													
Prices are high	27	27	25	27	30	27	31	22	25	32	30	24	27
Interest rates are high; credit is tight	6	7	7	8	18	18	13	14	17	24	29	22	11
People lack purchasing power	6	6	5	4	6	7	9	4	6	6	7	6	9
Price of gas; shortages	25	18	14	13	10	13	19	13	16	16	15	9	6
Poor selection; quality	10	11	11	10	8	8	10	10	9	8	7	10	13

Responses to the query: "Why do you say so?" following the question on Table 30.

+ : May add to more than 100% due to multiple mentions.

TABLE 32

PLANS TO PURCHASE AN AUTOMOBILE DURING THE NEXT 12 MONTHS

	July 1979	Aug. 1979	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980
PROBABLY WILL BUY	na	14%	na	na	16%	na	na	20%	na	16%	13%	12%	17%
CHANCES ARE EVEN		7			6			8		7	7	8	5
PROBABLY WILL NOT BUY		69			68			62		69	67	68	67
DK,NA		10			10			10		8	13	12	11
TOTAL		100%			100%			100%		100%	100%	100%	100%
CASES		1212			1327			1019		719	703	688	668

The question was: "What do you think are the chances that you (or anyone else in your family living there) will buy or lease a car during the next 12 months--would you say you probably will, probably will not, or are the chances about even, or what?"

na : Not available.

TABLE 33

CURRENT VEHICLE PURCHASE INTENTIONS

	July 1979	Aug. 1979	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980
CURRENT PURCHASE INTENTIONS:	na	21%	na	na	22%	na	na	28%	na	23%	27%	20%	22%
PURCHASE TYPE:													
Buy new		11			9			14		11	11	9	10
Buy used		9			11			12		9	11	7	11
Lease		1			1			1		2	3	1	1
DK,NA		*			1			1		1	2	3	*
PURCHASE TIMING:													
Next 3 months		3			4			2		4	5	1	5
Next 4-6 months		4			4			7		6	6	6	5
Next 7-9 months		4			5			7		6	4	5	3
10 months or more		4			5			6		2	5	5	4
DK,NA		6			4			6		5	7	3	5

If response was "PROBABLY WILL BUY" or "CHANCES ARE EVEN" in Table 32, then the questions were: "If you do buy or lease a car, would it be a new car, or a used car?" , "Would you buy or lease?" and "When do you think you might buy or lease a car?"

na : Not available.

* : Less than half of one percent.

TABLE 34

FUTURE VEHICLE PURCHASE INTENTIONS

	July 1979	Aug. 1979	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980
FUTURE PURCHASE INTENTIONS:	na	69%	na	na	68%	na	na	62%	na	69%	63%	68%	67%
PURCHASE TYPE:													
Would buy new		39			41			36		40	37	38	40
Would buy used		28			25			24		26	23	27	24
DK,NA		2			2			2		3	3	3	3
PURCHASE TIMING:													
Less than 2 years		7			7			7		8	4	6	4
2 years		20			18			21		14	19	21	20
3 years		11			11			7		12	10	11	10
4 years or more		17			19			17		20	17	20	21
Indefinite		6			6			3		6	7	3	4
DK,NA		8			7			7		9	6	7	8

If response was "PROBABLY WILL NOT BUY" in Table 32, then the questions were: "If you were to buy a car, would it be a new car or a used car? and "How long do you think it may be before will buy or lease a car?"

na : Not available.

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Recd 8/4/80

JULY 1980 SURVEY July 29, 1980

Surveys of Consumer Attitudes

Richard T. Curtin, *Director*

JULY SURVEY RECORDS SECOND MONTHLY IMPROVEMENT

**In the July 1980 survey, the Index of Consumer Sentiment was 62.3, up 3.5 Index points from the June survey, and more than 10 Index points above the all-time record low of 51.7 recorded in May 1980. The recent improvement in consumer sentiment was due to improved evaluations of personal finances and buying conditions. Lower rates of inflation and lower interest rates were responsible for these improvements.

**Among families with incomes of $20,000 and over, the Index figure rose to 67.6 in July, from 61.7 in June 1980. This represents the third monthly increase since the record low level of 52.5 was recorded in April 1980. The July 1980 high-income Index figure was nearly identical to the year-earlier reading of 67.2.

**Both short and long-term evaluations of personal finances recorded modest improvements in the July 1980 survey. Among all families, 26 percent expected to be better off financially in a year (up from 20 percent a year earlier) and 45 percent expected to be better off financially in five years (up from 38 percent a year earlier).

**In July 1980, 25 percent of all respondents expected business conditions to worsen in the year ahead, down from 32 percent in June and 43 percent in July 1979. The proportion who expected conditions to improve has increased to 28 percent in July 1980 from 11 percent in July 1979. Despite this improvement, 74 percent of all respondents continued to expect bad times financially in the economy as a whole in the year ahead.

**On average, consumers expected prices to increase by 9.0% in July, up from 8.1% in June. Increasing unemployment was expected by 59 percent of all families, down from the 72 percent reported in May 1980.

**Attitudes toward buying conditions for houses and household durables improved significantly over recent months, but were still less favorable than year-earlier readings. Attitudes toward buying conditions for automobiles were unchanged from both the June 1980 and year-earlier readings. In all three markets, unfavorable references to high interest rates declined markedly from recent months.

* * *

The June and July 1980 surveys recorded the largest two-month increase in consumer sentiment since the current decline began three years ago. These monthly improvements, while they may well foreshadow additional future gains, still leave consumer attitudes and expectations at greatly depressed levels. Although the balance of the survey evidence points toward the end of the downward momentum, the momentum has not shifted toward increasing optimism. Renewed and significant declines below the record low levels recorded earlier in 1980 are less likely than continued low levels yielding only slowly to improvement.

Monitoring Economic Change Program
Institute for Social Research • P.O. Box 1248 • Ann Arbor, Michigan 48106 • (313) 763-5224

Personal Finances

Modest improvements in both short and long term evaluations of personal finances were recorded in the July 1980 survey. The proportion of households who reported being better off financially than a year earlier increased to 30 percent in July from 25 percent in June 1980, corresponding with more frequent mentions of recent income increases. Nonetheless, the proportion of households who reported being worse off financially still exceeds the proportion who report being better off by a margin of 40 to 30 percent.

Expected changes in personal finances were also somewhat more favorable in the July 1980 survey than a month or year earlier readings. In July 1980, the proportion who expected to be better off financially exceeded the proportion who expected to be worse off by the small margin of 26 to 21 percent, although this represents a significant improvement from the negative balance of 20 versus 28 percent recorded a year earlier.

Expected nominal income increases were less favorable in the July 1980 survey than one month and year earlier figures. The proportion of households who expected family income increases of 10% or more fell to 25 percent in July 1980 from 33 percent in June, while the proportion of households who reported that they expected income declines in the year ahead rose to 18 percent in July from 12 percent in June 1980. Despite the decline in nominal family income expectations, families less frequently reported real income declines in July 1980 (56 percent) than in August 1979 (61 percent), and less frequently expected real income declines in the year ahead in July 1980 (45 percent) than in July 1979 (54 percent).

Evaluations of personal financial progress during the past 5 years were unchanged in the July 1980 survey from year earlier readings. In July 1980, 50 percent of the families reported that they were better off financially compared with 5 years earlier, identical to the 50 percent recorded in 1979 (see the table below). The proportion of families who expected to be better off financially in the next 5 years rose to 45 percent in the July 1980 survey from 38 percent in 1979, while the proportion who expected to be worse off in the 5 years ahead declined to 16 percent in July 1980 from 22 percent in the year earlier survey.

Current Financial Situation Compared to 5 Years Ago

	Aug-Sept 1968	May-June 1969	Oct-Nov. 1970	Oct-Nov. 1971	May 1972	Feb. 1974	Aug-Sept 1974	Feb. 1975	Aug-Sept 1976	Nov-Dec. 1976	May 1977	Nov-Dec. 1977	Feb. 1979	Aug. 1979	Feb. 1980	Apr-June 1980
Better	53	57	50	56	59	55	51	51	53	50	55	52	51	50	51	50
Same	23	20	21	19	18	16	16	13	13	14	13	14	15	11	12	13
Worse	21	20	25	21	19	24	28	32	30	34	30	32	33	37	35	35
DK, NA	3	3	4	4	4	5	5	4	4	2	2	2	1	2	2	2

Expected Financial Situation in 5 Years

	Aug-Sept 1968	May-June 1969	Oct-Nov. 1970	Oct-Nov. 1971	May 1972	Feb. 1974	Aug-Sept 1974	Feb. 1975	Aug-Sept 1976	Nov-Dec. 1976	May 1977	Nov-Dec. 1977	Feb. 1979	Aug. 1979	Feb. 1980	Apr-June 1980
Better	43	50	42	47	50	39	39	45	46	45	45	39	37	38	39	45
Same	28	28	23	17	28	24	25	25	26	25	31	34	34	34	29	30
Worse	8	10	12	8	6	16	15	12	11	12	15	15	21	22	26	16
DK, NA	21	12	23	28	16	21	21	18	17	18	9	12	8	6	6	9

Business Conditions

News of spreading unemployment dominated recent changes in business conditions heard and recalled by respondents in the July 1980 survey. Among all respondents, 43 percent mentioned increasing unemployment in the July survey, up from 16 percent in July 1979. During the past year, reports of price increases fell from 20 percent in July 1979 to 12 percent in July 1980. In recent months, news heard of high interest rates and tight credit conditions fell from 24 percent in April to just 5 percent in July 1980, while news of lower interest rates and easier credit conditions were mentioned by 7 percent in July, up from less than 1 percent in April 1980.

Current business conditions continue to be judged as unfavorable by the overwhelming majority of consumers. In the July 1980 survey, 85 percent of all respondents felt business conditions had worsened during the past year, somewhat below the 90 percent recorded in June 1980. Greater improvement was recorded in short term business expectations. For the first time in almost two years, more respondents expected business conditions to improve rather than to worsen during the year ahead, although by the slim margin of 28 to 25 percent. In comparison, in the July 1979 survey the proportion who expected business conditions to worsen exceeded the proportion who expected improvement by a 43 to 11 percent margin.

The expectation of better business conditions, however, does not imply the expectation of good times financially in the economy as a whole. Despite the expected improvement in business conditions, 74 percent of all families expected bad times financially in the economy as a whole in the year ahead in July, unchanged from the June 1980 reading (75 percent) and the July 1979 reading (74 percent). The expected slow improvement in the economy was, however, reflected in the small improvement in long-term business expectations. Among all families, 61 percent expected bad times in the economy as a whole during the next five years in July 1980, down from 70 percent in July 1979, while good times financially were expected by 19 percent in July 1980, up from 10 percent in July 1979.

Among all households, interest rates were more frequently expected to decline than increase in the year ahead by a margin of 44 to 21 percent in July 1980. Somewhat fewer consumers reported that they expected declines in the July 1980 survey (44 percent) than in June 1980 (54 percent), but significantly more frequently than in July 1979 (12 percent). Interest rate expectations shifted dramatically following the March 1980 announcement, and have since then moved significantly toward expectations of future reductions.

Unemployment expectations improved somewhat from the levels recorded earlier in 1980. Among all families, 59 percent expected unemployment to increase in the year ahead in July 1980, significantly below the 72 percent reported in May 1980. On average, consumers expected prices to increase by 9.0 percent in July 1980, up from 8.1 percent in June, but below the 10.8 percent recorded in July 1979. Fewer respondents expected price increases of 10% or more in comparison with a year earlier (from 45 to 37 percent in July 1980), and more frequently expected prices to remain the same or decline (from 12 to 22 percent in July 1980).

Despite the small improvement in unemployment expectations and the deterioration in inflation expectations, the July 1980 survey marked the first time since the 1974-75 recession that a greater proportion of respondents felt unemployment rather than inflation was the more serious economic hardship facing the nation. In July 1980, unemployment rather than inflation was seen as the more serious economic hardship by a margin of 45 to 41 percent, representing a significant shift from the year-earlier reading when inflation rather than unemployment was seen as more serious by a margin of 62 to 26 percent.

Confidence in government's economic policy to combat inflation and unemployment remained at low levels in the July 1980 survey. Among all households, 47 percent rated government economic policy as poor in July 1980, largely unchanged from the month earlier (46 percent) and year earlier (48 percent) readings. The mid-1979 and mid-1980 levels of confidence in government economic policy represent the lowest levels recorded under the Carter administration.

Buying Attitudes

Attitudes toward buying conditions for household durables improved significantly during the past two months. In the July survey 44 percent of all families held favorable attitudes, up from 41 percent in June and 35 percent in May 1980. Unfavorable evaluations of market conditions for durables declined to 40 percent in July from 48 percent in June and 58 percent in May 1980. Attitudes nonetheless remained less favorable than year-earlier readings, when 60 percent evaluated buying conditions for durables as favorable, opposed to 30 percent with unfavorable ratings. The recent improvement in attitudes toward durable buying conditions was due to more frequent mentions of low prices in July (19 percent) than in May 1980 (14 percent), while complaints of high prices declined in July (23 percent) from the May 1980 level (34 percent). Mentions of high interest rates and tight credit conditions making buying conditions unfavorable fell from 31 percent in May to 19 percent in July 1980.

Attitudes toward buying conditions for houses also improved in the July 1980 survey. Among all families, 34 percent rated buying conditions for houses as favorable in July, up from 29 percent in June and 18 percent in May 1980. Unfavorable evaluations of buying conditions for houses fell to 58 percent in July from 66 percent in June and 74 percent in May 1980. There were significantly fewer mentions of high interest rates and tight credit conditions in July (53 percent) than in June (66 percent) or May 1980 (75 percent), and more frequent mentions of lower interest rates and available credit in July (23 percent) than in June (16 percent) or May 1980 (6 percent). Overall, attitudes toward buying conditions for houses remained significantly less favorable than year earlier readings.

Attitudes toward buying conditions for automobiles were unchanged in the July survey from the June 1980 reading, although somewhat improved over the

May 1980 low. Among all families, 36 percent felt buying conditions for automobiles were favorable, unchanged from the 37 percent recorded in June 1980, and above the 29 percent recorded in May 1980. Unfavorable evaluations of buying conditions for vehicles were held by 50 percent in July 1980, unchanged from June, and below the 61 percent recorded in May. In contrast to attitudes toward buying conditions for household durables and houses, attitudes toward buying conditions for automobiles in July 1980 stood largely unchanged from year earlier readings. In July 1979 32 percent rated buying conditions favorable compared with 36 percent in July 1980, while 52 percent rated buying conditions unfavorably in July 1979 and 50 percent in July 1980. Respondents more frequently mentioned the appeal of low prices and good buys (25 percent in July 1980 compared with 11 percent in July 1979), and fewer respondents mentioned problems of gas shortages (6 percent in July 1980 compared with 25 percent in July 1979). Unfavorable references to high interest rates and tight credit conditons declined to 11 percent in July from 22 percent in June and 29 percent in May 1980.

* * *

The July 1980 survey included 668 interviews conducted between June 23 and July 22, 1980.

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SURVEYS OF CONSUMER ATTITUDES

TABLES AND CHARTS

AUGUST 1980

SURVEY RESEARCH CENTER
UNIVERSITY OF MICHIGAN

Institute for Social Research

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TABLES AND CHARTS

AUGUST 1980

The August 1980 survey is the 121st. in a series of survey of consumer attitudes conducted during the last 30 years. The purpose of these surveys is to measure changes in consumer attitudes and expectations, and to increase understanding of why these changes occur and how they affect consumer decisions to make discretionary purchases or to save. This type of understanding is an essential ingredient for forecasting changes in aggregate consumer behavior.

Two charts are presented for most questions. One gives quarterly results from 1955 to the last quarterly observation. A second chart shows monthly results since January of 1978, when this series was instituted, along with a simple three month moving average, plotted on the last of the three months.

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CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

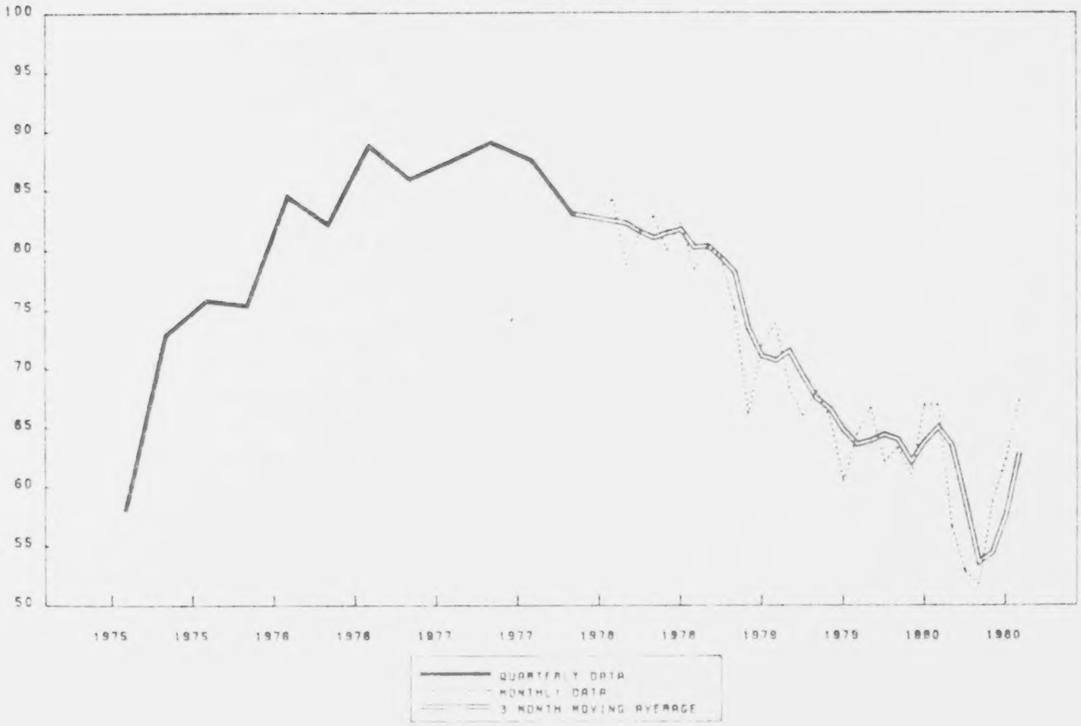

CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT

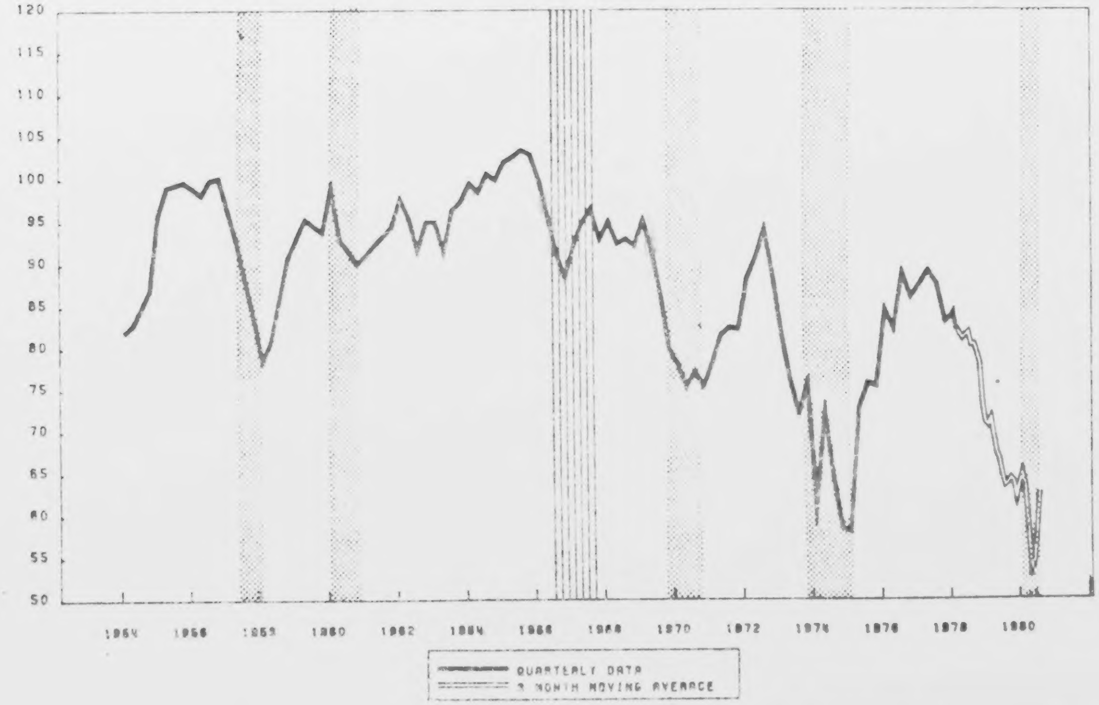

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TABLE 1

THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY	All families	Families with incomes over $20,000	Families with incomes over $25,000
August 1977	87.6	101.7	
November 1977	83.1	94.0	95.5
January 1978	83.7	95.6	94.7
February 1978	84.3	98.0	100.1
March 1978	78.8	87.5	93.8
April 1978	81.6	94.5	92.9
May 1978	82.9	87.1	90.0
June 1978	80.0	92.7	94.6
July 1978	82.4	91.7	92.4
August 1978	78.4	85.1	85.4
September 1978	80.4	87.2	87.2
October 1978	79.3	88.1	89.1
November 1978	75.0	81.0	83.0
December 1978	66.1	73.8	76.8
January 1979	72.1	83.7	84.8
February 1979	73.9	84.3	86.6
March 1979	68.4	75.3	73.6
April 1979	66.0	73.7	77.0
May 1979	68.1	73.5	76.7
June 1979	65.8	71.8	72.9
July 1979	60.4	67.2	68.0
August 1979	64.5	70.0	71.3
September 1979	66.7	71.6	74.4
October 1979	62.1	65.6	65.5
November 1979	63.3	68.3	69.9
December 1979	61.0	66.2	73.2
January 1980	67.0	70.8	70.9
February 1980	66.9	70.8	73.5
March 1980	56.5	62.3	64.5
April 1980	52.7	54.2	57.2
May 1980	51.7	55.2	53.3
June 1980	58.7	61.6	63.7
July 1980	62.3	67.6	67.3
August 1980	67.3	70.9	74.2

TABLE 2

INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS

DATE OF SURVEY		CENSUS REGION				AGE OF RESPONDENT		
		North East	North Central	South	West	18-34	35-54	55+
August	1977	84.7	87.6	87.2	91.0	99.3	85.5	80.9
November	1977	83.4	80.0	83.1	87.2	96.3	83.5	73.8
January	1978	84.1	85.5	81.3	83.7	93.7	86.7	75.0
February	1978	83.0	81.9	81.6	94.2	99.7	82.3	77.1
March	1978	78.7	76.7	79.7	79.6	91.7	76.8	68.8
April	1978	82.5	80.9	81.6	81.6	91.8	79.7	74.0
May	1978	79.7	81.5	84.3	86.4	95.1	78.9	74.5
June	1978	76.5	79.6	79.5	85.1	91.7	75.7	72.4
July	1978	85.4	78.2	78.8	91.0	92.2	78.4	77.4
August	1978	78.7	80.4	77.6	76.2	87.8	77.2	69.8
September	1978	80.1	77.8	80.3	85.6	86.6	83.9	72.1
October	1978	82.2	79.9	78.4	77.1	90.6	76.7	70.8
November	1978	69.6	73.1	76.1	82.4	82.5	73.3	69.0
December	1978	62.1	65.6	67.5	71.4	71.7	63.9	63.6
January	1979	73.5	76.4	69.3	70.6	82.7	70.6	63.2
February	1979	68.0	75.8	73.5	77.5	80.9	74.6	67.7
March	1979	65.5	71.3	68.0	67.4	77.9	64.7	63.3
April	1979	58.1	65.6	71.9	64.8	71.5	66.4	61.8
May	1979	64.9	68.2	69.1	69.6	74.6	65.3	64.1
June	1979	66.8	63.3	66.8	66.3	71.2	62.9	63.9
July	1979	60.4	58.0	63.3	59.7	67.7	60.9	54.1
August	1979	61.7	63.0	62.9	71.7	72.1	64.0	58.2
September	1979	64.1	65.2	67.0	70.9	71.5	66.8	63.2
October	1979	59.5	60.4	64.0	63.5	69.5	58.3	60.1
November	1979	59.8	64.1	65.8	61.9	70.8	60.7	57.3
December	1979	61.7	59.5	59.7	64.6	68.1	57.1	59.3
January	1980	67.4	60.1	71.3	71.6	75.5	63.1	61.6
February	1980	63.0	65.9	65.7	72.8	74.3	65.7	60.5
March	1980	54.4	57.3	56.7	56.9	61.4	56.2	50.7
April	1980	50.9	58.0	50.7	51.5	60.5	43.6	51.8
May	1980	54.6	50.8	49.3	53.0	62.8	46.6	43.4
June	1980	54.4	58.0	56.4	67.3	65.9	53.5	58.1
July	1980	55.9	58.5	66.4	68.6	69.9	58.1	58.8
August	1980	59.0	66.2	72.6	68.1	72.0	64.8	66.0

CHART 3 - HISTORICAL SERIES
CURRENT AND EXPECTED COMPONENTS

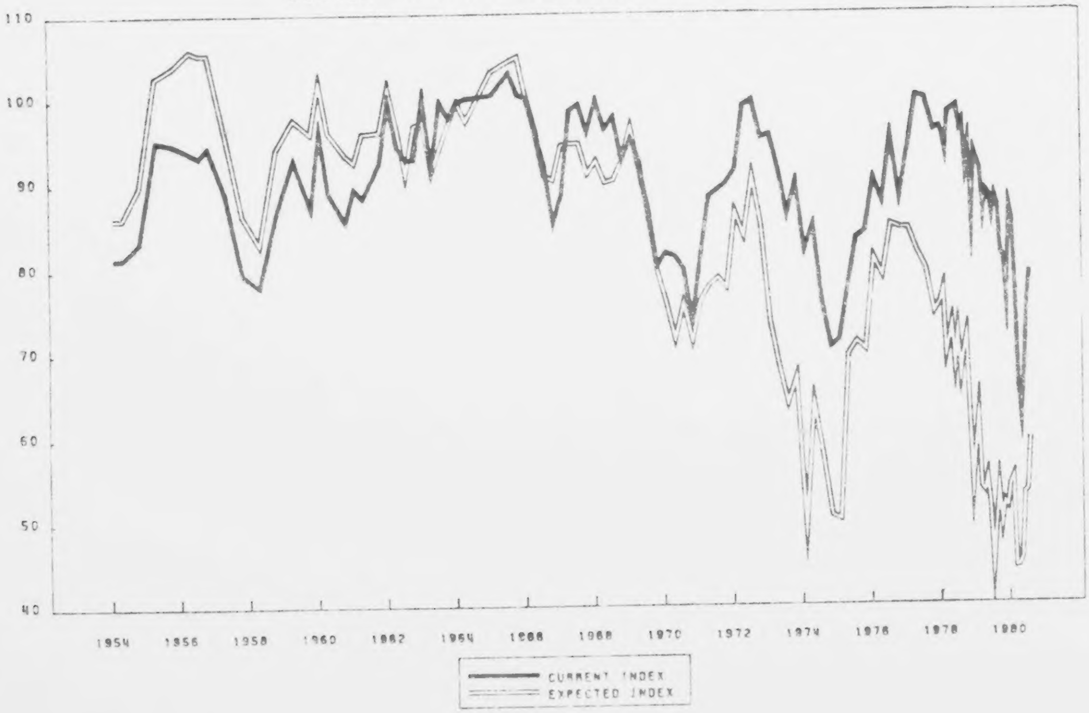

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TABLE 3

COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT

	INDEX COMPONENTS +						
	Personal finances		Business conditions		Buying conds.	Current Index	Expected Index
	Current	Expected	12 months	5 years			
DATE OF SURVEY	(1)	(2)	(3)	(4)	(5)	(1,5)	(2,3,4)
August 1977	108	116	116	86	148	99.5	80.0
November 1977	107	107	104	85	139	96.0	74.7
January 1978	105	114	106	80	142	96.2	75.7
February 1978	106	109	108	89	139	95.4	77.2
March 1978	100	107	91	76	140	93.2	69.5
April 1978	104	112	99	71	148	98.0	71.1
May 1978	105	111	99	79	147	98.2	73.0
June 1978	107	102	97	71	146	98.4	68.1
July 1978	108	111	105	69	146	98.7	72.0
August 1978	101	112	82	70	145	96.1	67.0
September 1978	109	109	96	71	140	96.9	69.8
October 1978	96	104	103	77	138	91.2	71.7
November 1978	106	106	74	67	135	94.1	62.8
December 1978	95	96	61	53	123	85.2	53.8
January 1979	101	99	72	58	139	93.3	58.4
February 1979	98	98	75	71	138	92.2	62.2
March 1979	96	99	57	53	138	91.2	53.7
April 1979	85	90	63	55	134	85.9	53.3
May 1979	91	95	58	62	136	88.7	54.9
June 1979	92	91	54	55	134	88.2	51.4
July 1979	90	92	39	40	130	85.7	44.2
August 1979	95	98	46	48	131	88.2	49.3
September 1979	90	98	60	51	133	87.1	53.6
October 1979	83	96	48	49	126	81.6	49.5
November 1979	86	97	52	54	120	80.9	52.0
December 1979	83	101	50	50	110	75.8	51.5
January 1980	96	106	58	47	127	87.1	54.1
February 1980	85	99	55	60	134	85.5	54.9
March 1980	76	92	38	41	116	75.3	44.3
April 1980	73	94	32	45	94	65.8	44.4
May 1980	79	100	31	44	77	61.7	45.3
June 1980	78	101	43	63	93	67.4	53.0
July 1980	90	105	45	58	104	76.1	53.4
August 1980	93	111	63	60	109	79.4	59.6

(1) : See Table 4.
(2) : See Table 6.
(3) : See Table 18.
(4) : See Table 19.
(5) : See Table 26.

+ : Percent saying "GOOD TIMES" (or "BETTER"), minus percent saying "BAD TIMES" (or "WORSE"), plus 100.

CHART 4 - RECENT CHANGES

CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

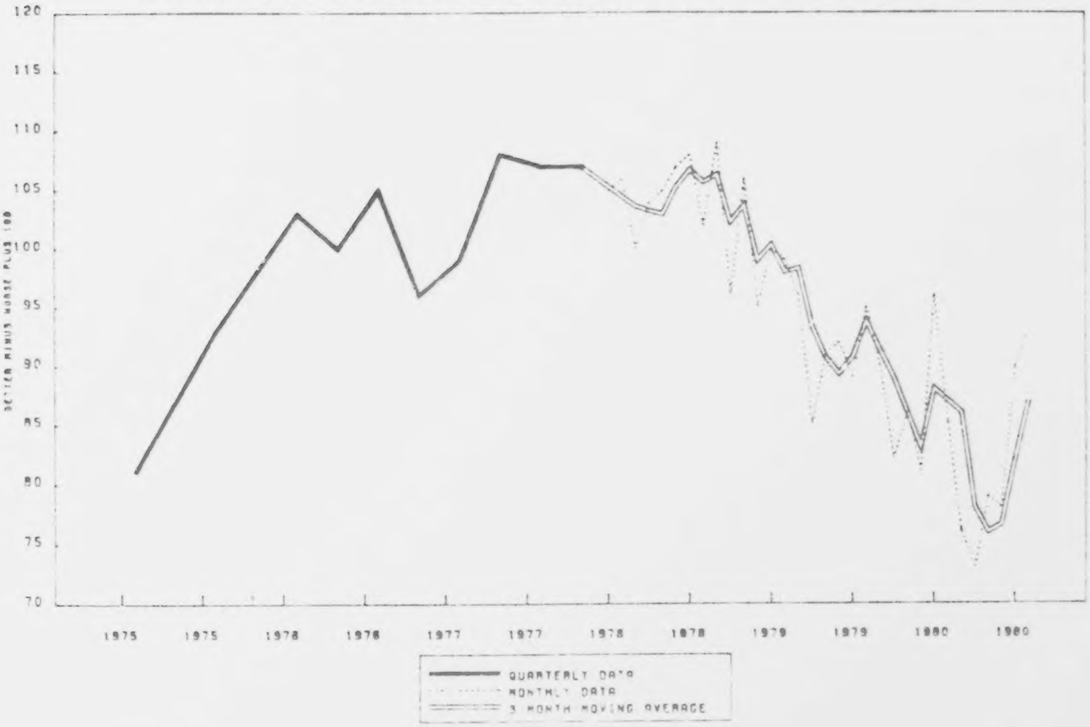

CHART 4 - HISTORICAL SERIES

CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

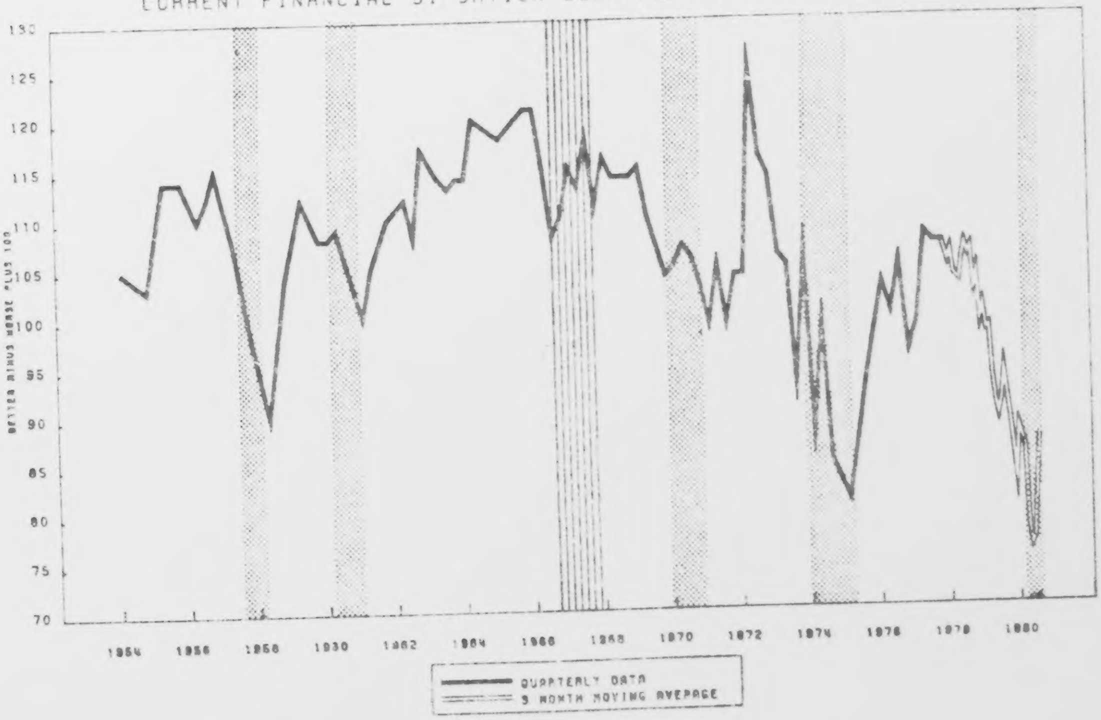

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TABLE 4

CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

	Aug. 1979	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980
BETTER OFF	33%	31%	28%	30%	28%	34%	30%	24%	24%	26%	25%	30%	33%
SAME	28	28	26	25	26	28	25	28	25	26	26	29	26
WORSE OFF	38	41	45	44	45	38	45	48	51	47	47	40	40
DK,NA	1	*	1	1	1	*	*	*	*	1	2	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1212	946	1167	1327	850	769	1019	707	719	703	688	668	658

The question was: "We are interested in how people are getting along financially these days. Would you say that you (and your family living there) are better off or worse off financially than you were a year ago?"

* : Less than half of one percent.

CHART 5 - RECENT CHANGES

REASONS FOR FINANCIAL SITUATION COMPARED TO A YEAR AGO

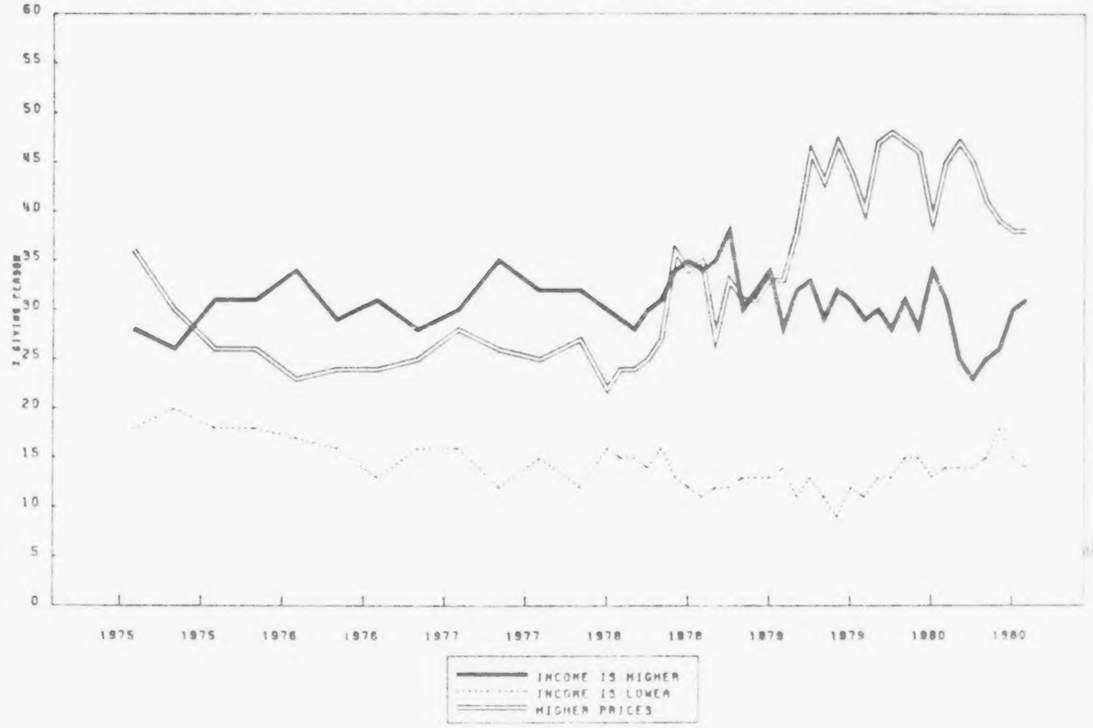

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TABLE 5

SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION +

	Aug. 1979	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 198
BETTER OFF THAN YEAR AGO:													
Income is higher	29%	30%	28%	31%	27%	34%	31%	25%	23%	25%	26%	30%	31
WORSE OFF THAN YEAR AGO:													
Income is lower	11	13	13	15	14	13	14	14	14	15	18	15	14
Higher prices	40	47	48	47	44	39	45	47	45	41	39	36	36

Responses to the query: "Why do you say so?" following the question on Table 4.

+ : May add to more than 100% due to multiple mentions.

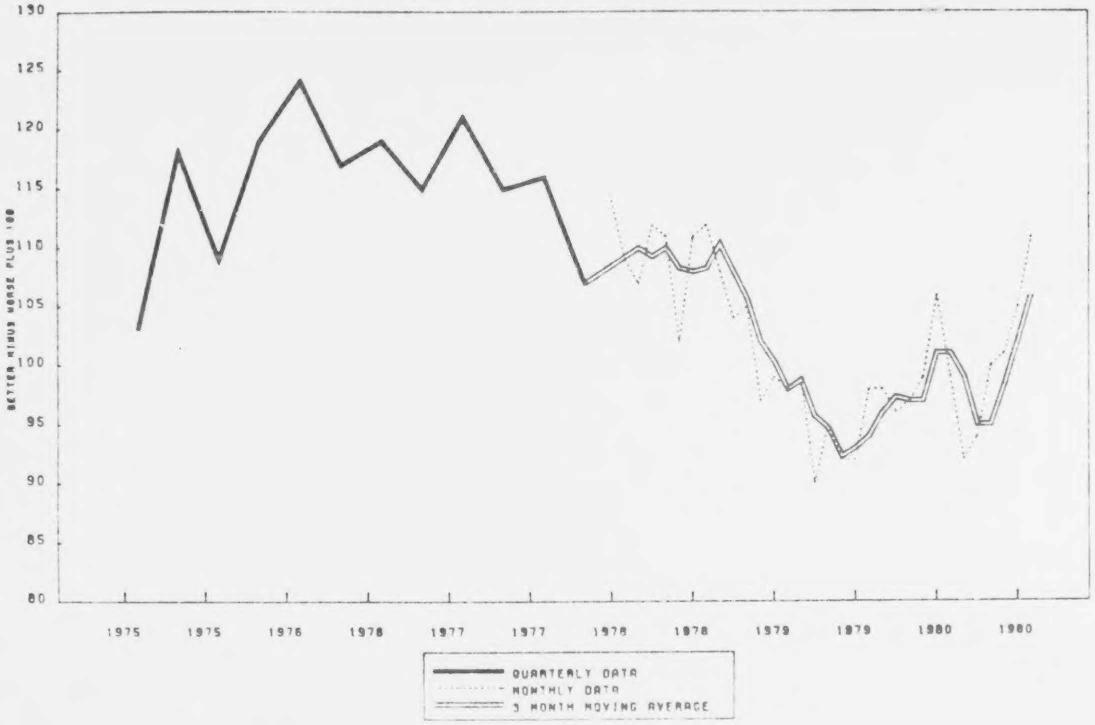

CHART 6 - RECENT CHANGES
EXPECTED CHANGE IN FINANCIAL SITUATION

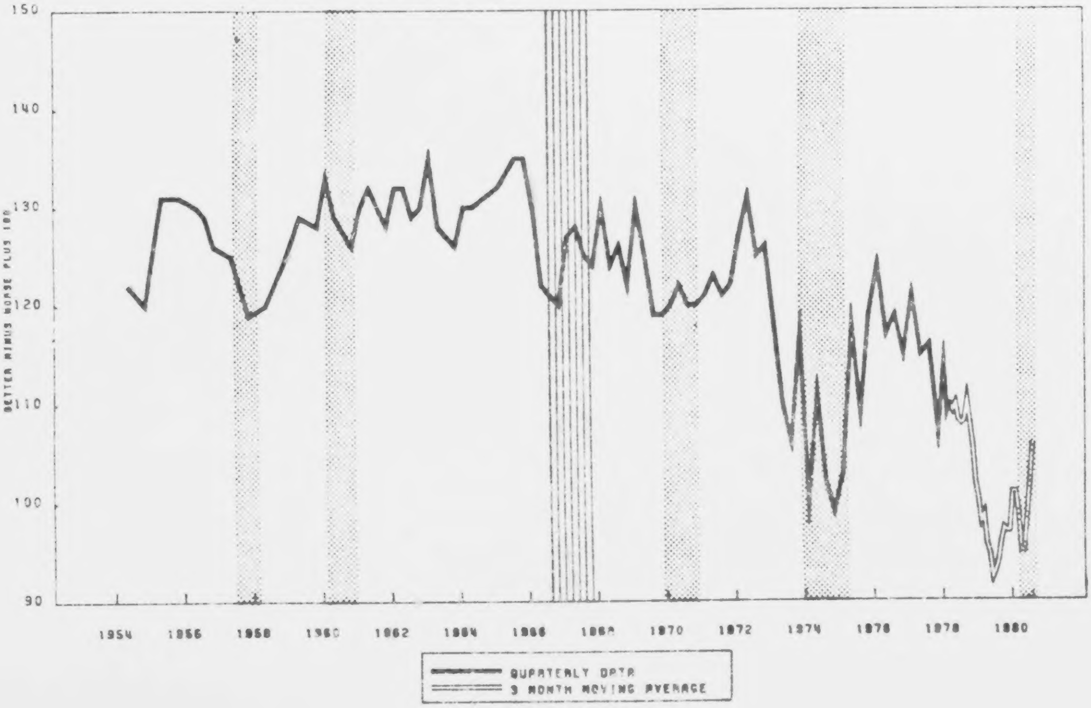

CHART 6 - HISTORICAL SERIES
EXPECTED CHANGE IN FINANCIAL SITUATION

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TABLE 6

EXPECTED CHANGE IN FINANCIAL SITUATION

	Aug. 1979	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980
BETTER OFF	23%	24%	24%	21%	26%	28%	25%	20%	25%	27%	26%	26%	30%
SAME	50	47	45	53	45	46	45	47	42	43	46	48	48
WORSE OFF	25	26	28	24	25	22	26	28	31	27	25	21	19
DK,NA	2	3	3	2	4	4	4	5	2	3	3	5	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1212	946	1167	1327	850	769	1019	707	719	703	688	668	658

The question was: "Now looking ahead--do you think that a year from now you (and your family living there) will be better off financially, or worse off, or just about the same as now?"

CHART 7 - RECENT CHANGES
TREND IN PERSONAL FINANCIAL SITUATION

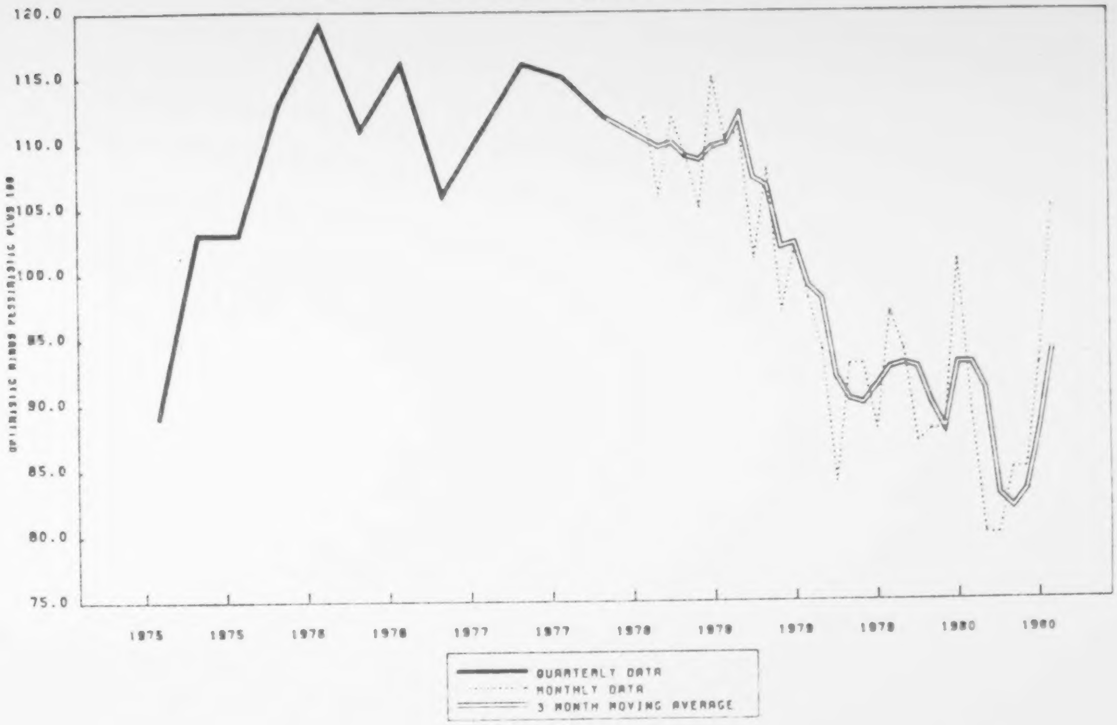

CHART 7 - HISTORICAL SERIES
TREND IN PERSONAL FINANCIAL SITUATION

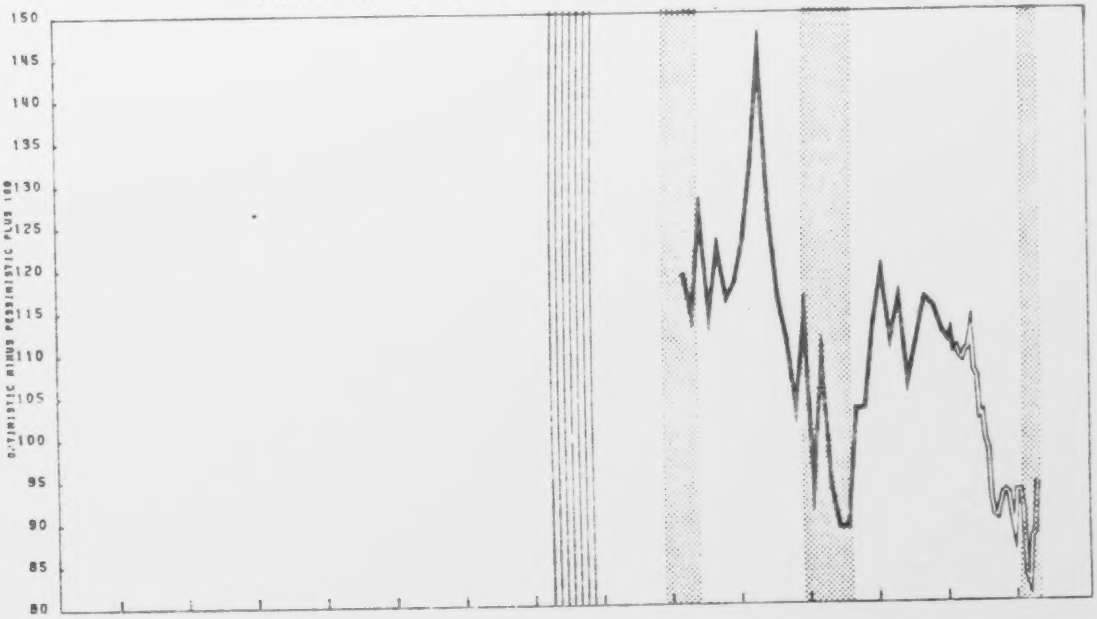

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TABLE 7

TREND IN PERSONAL FINANCIAL SITUATION

	Aug. 1979	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980
PERSONAL FINANCIAL PROGRESS:													
Continuous increase (a)	13%	11%	11%	11%	12%	15%	13%	7%	8%	11%	10%	12%	12%
Intermittant increase (b)	21	20	18	19	18	21	19	16	16	17	16	19	22
Remained unchanged (c)	17	16	14	16	14	16	12	15	14	12	14	14	16
Intermittant decline (d)	22	21	23	25	23	20	25	27	23	27	27	28	17
Continuous decline (e)	16	16	19	16	18	14	18	17	21	16	14	10	12
Mixed change (f)	9	13	12	10	11	10	10	13	16	14	15	11	18
DK,NA	2	3	3	3	4	4	3	5	2	3	4	6	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1212	946	1167	1327	850	769	1019	707	719	703	688	668	658

Combination of the responses to the questions on Tables 4 and 6.

Key: (a) Better off financially than a year ago/Better off a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

TABLE 8

EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS

	Aug. 1979	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980
EXPECT INCREASE:													
1-4%	5%	na	na	5%	na	na	6%	na	5%	6%	5%	5%	6%
5%	7			8			8		8	7	7	8	10
6-9%	17			14			14		14	12	13	11	15
10-24%	19			19			20		23	24	25	20	20
25% or more	6			6			9		7	6	8	5	6
DK how much up	8			8			7		7	8	8	10	9
EXPECT SAME	27			28			24		25	22	21	21	21
EXPECT DOWN	8			8			10		9	13	12	18	11
DK,NA	3			4			2		2	2	1	2	2
TOTAL	100%			100%			100%		100%	100%	100%	100%	100%
CASES	1212			1327			1019		719	703	688	668	658

The questions were: "During the next 12 months, do you expect your (family) income to be higher or lower than during the past year?" and "By about what percent do you expect your (family) income to increase during the next 12 months?"

na : Not available.

CHART 9 - RECENT CHANGES

INCOME OR PRICES UP MORE DURING THE LAST YEAR

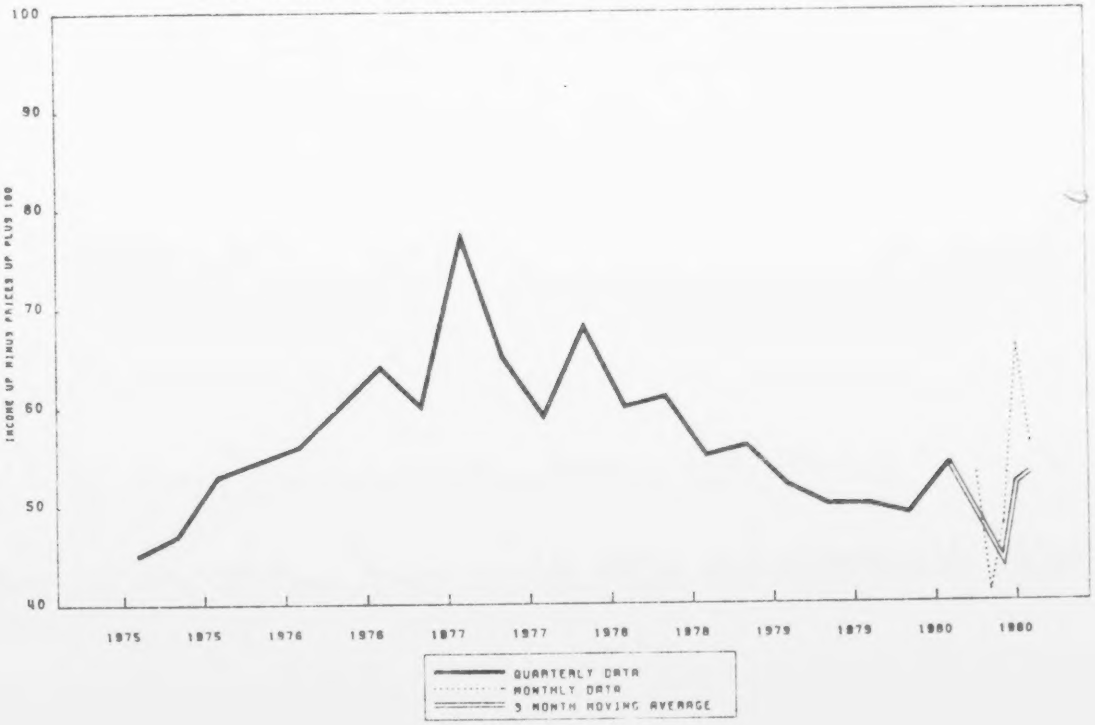

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TABLE 9

PAST CHANGE IN REAL FAMILY INCOME

	Aug. 1979	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980
INCOME UP MORE	12%	na	na	12%	na	na	13%	na	11%	8%	11%	12%	13%
INCOME UP SAME	25			23			27		22	22	25	30	29
PRICES UP MORE	61			63			59		66	67	63	56	57
DK,NA	2			2			1		1	3	1	2	1
TOTAL	100%			100%			100%		100%	100%	100%	100%	100%
CASES	1212			1327			1019		719	703	688	668	658

The question was: "During the last year or two, would you say that your (family) income went up more than prices, went up about the same as prices, or went up less than prices?"

na : Not available.

CHART 10 - RECENT CHANGES
INCOME OR PRICES UP MORE NEXT YEAR

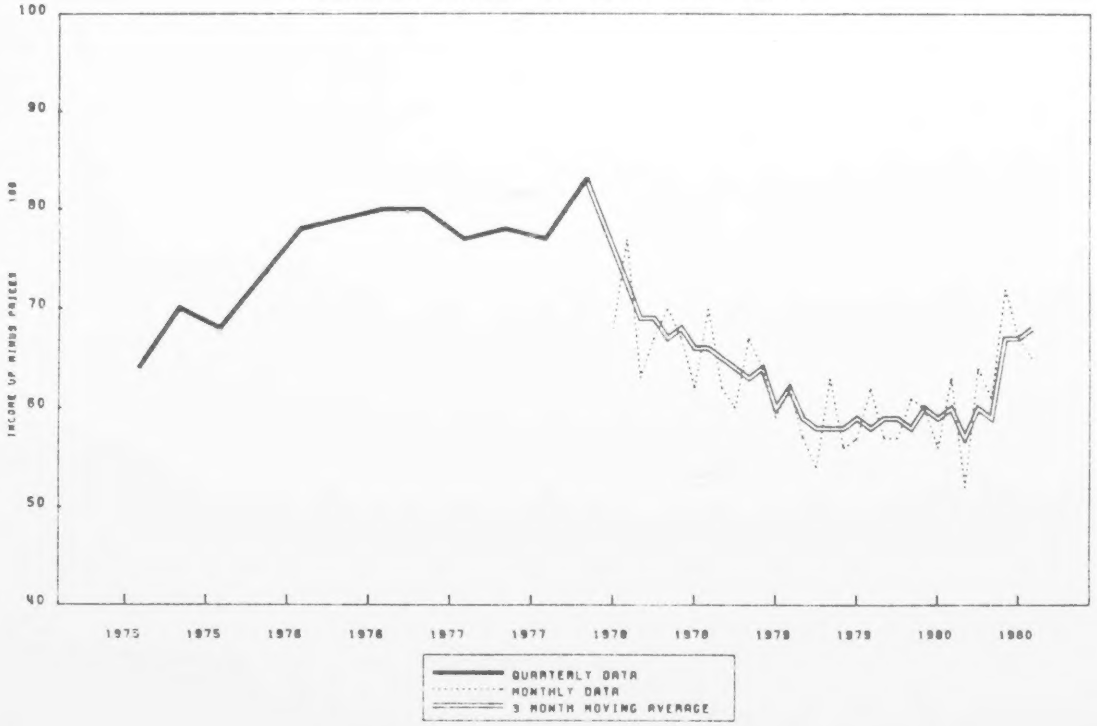

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TABLE 10

EXPECTED CHANCE IN REAL FAMILY INCOME

	Aug. 1979	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980
INCOME UP MORE	12%	10%	9%	10%	11%	8%	14%	8%	12%	12%	14%	12%	11%
INCOME UP SAME	34	34	35	38	34	36	33	32	37	34	41	38	40
PRICES UP MORE	50	53	52	49	51	52	51	56	48	51	42	45	46
DK,NA	4	3	4	3	4	4	2	4	3	3	3	5	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1212	946	1167	1327	850	769	1019	707	719	703	688	668	658

The question was: "How about the next year or two--do you expect that your (family) income will go up more than prices will go up, about the same, or less than prices will go up?"

CHART 11 - RECENT CHANGES
TREND IN INCOME AND PRICE COMPARISON

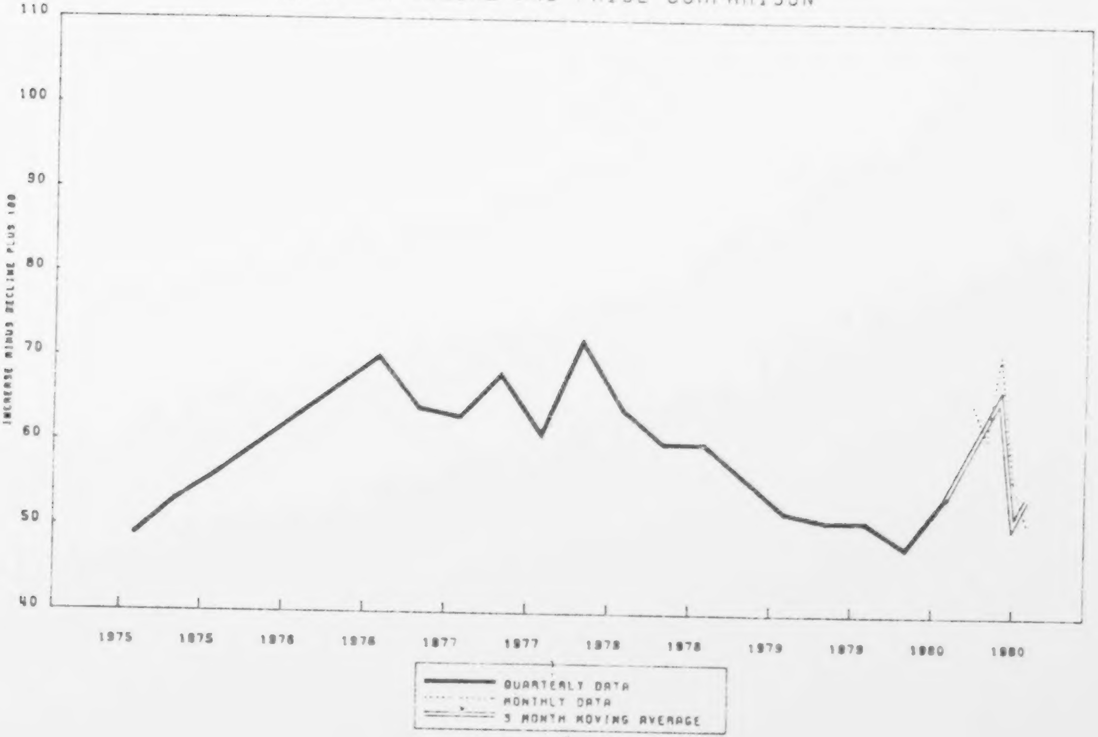

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TABLE 11

TREND IN FAMILY INCOME AND PRICES COMPARISONS

	Aug. 1979	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 198
REAL INCOME PROGRESS:													
Continuous increase (a)	4%	na	na	4%	na	na	7%	na	4%	2%	5%	5%	3
Intermittant increase (b)	8			8			8		8	9	8	9	11
Remained unchanged (c)	15			14			16		13	11	16	17	17
Intermittant decline (d)	20			22			19		24	22	26	23	22
Continuous decline (e)	41			42			42		41	44	35	35	37
Mixed change (f)	7			6			6		6	6	7	5	6
DK,NA	5			4			2		4	6	3	6	4
TOTAL	100%			100%			100%		100%	100%	100%	100%	10
CASES	1212			1327			1019		719	703	688	668	658

Combination of the responses to the questions on Tables 9 and 10.

Key: (a) Income up more last year/Income up more next year
(b) Income up more/Same or Income up same/More
(c) Income up same/Same
(d) Prices up more/Same or Prices up same/More
(e) Prices up more/More
(f) Income up more/Prices up more or Prices up more/Income up more

na : Not available.

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CHART 12 - RECENT CHANGES

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

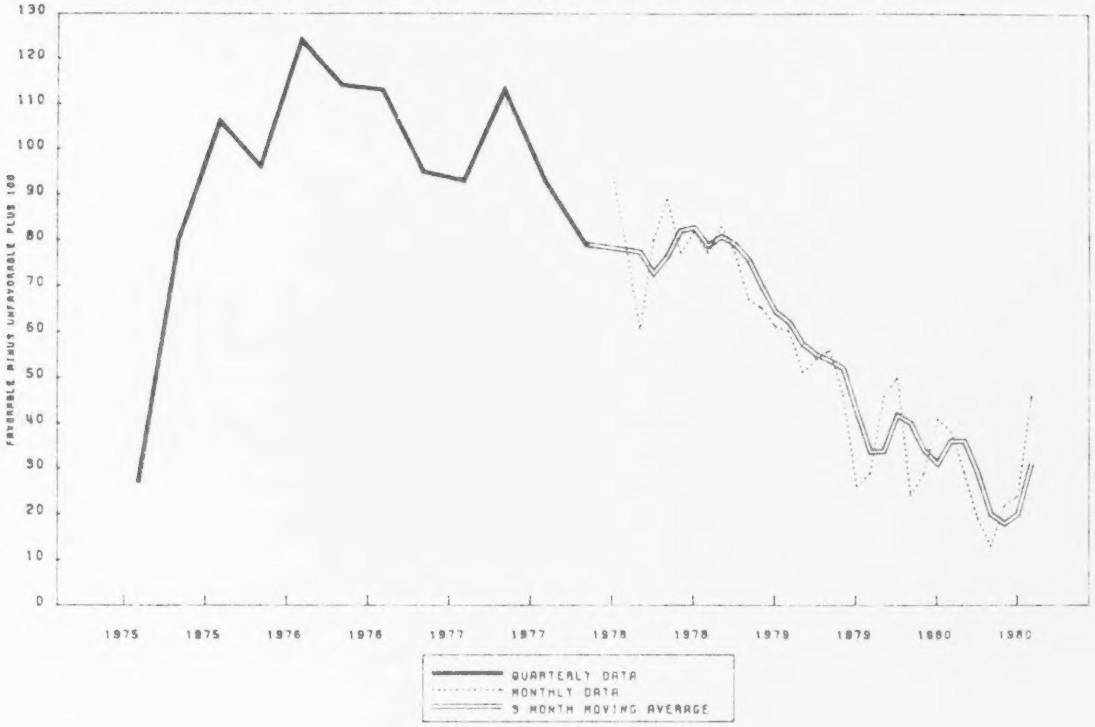

CHART 12 - HISTORICAL SERIES

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

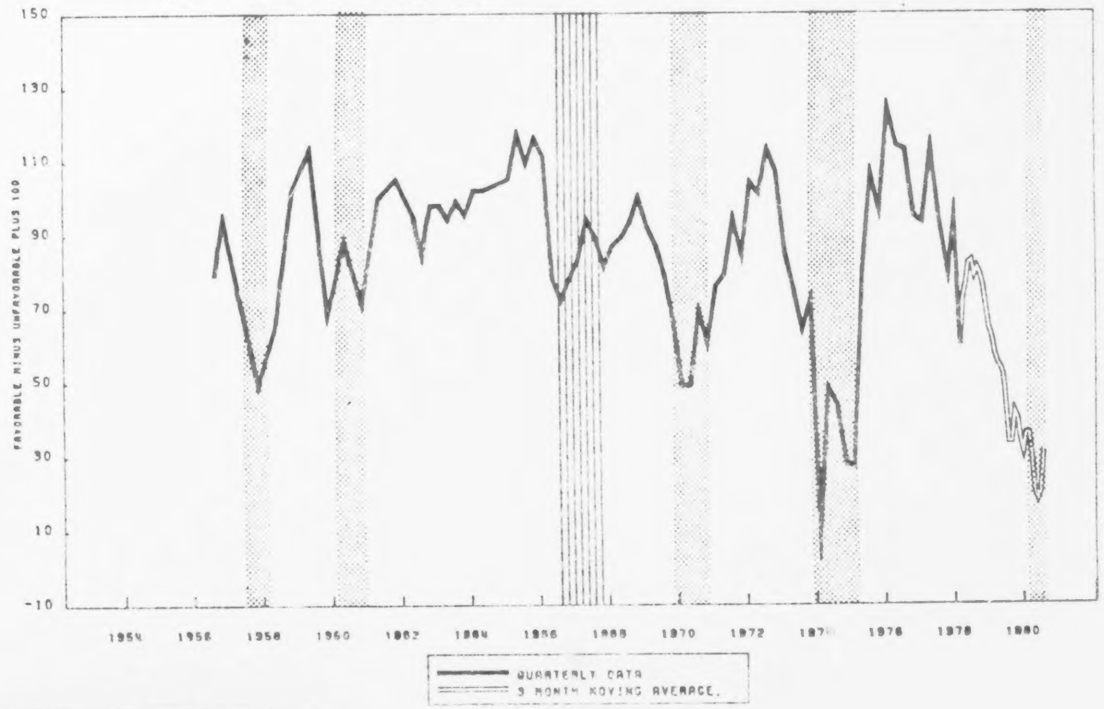

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TABLE 12

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Aug. 1979	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Au 19
FAVORABLE NEWS	13%	11%	13%	11%	11%	17%	14%	11%	10%	10%	15%	19%	24
UNFAVORABLE NEWS	89	65	63	87	79	76	76	82	91	97	93	95	7
NO MENTIONS	34	47	47	38	41	39	41	41	35	30	29	30	3

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

TABLE 13

SELECTED ITEMS OF NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Aug. 1979	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 198
FAVORABLE NEWS:													
Government; elections	1%	1%	1%	1%	*	*	1%	1%	1%	*	1%	*	1
Employment	6	4	4	3	4	6	5	3	3	1	3	4	7
Consumer demand high	1	1	1	*	1	1	1	1	1	*	1	1	1
Prices are low	*	*	1	1	*	1	1	*	1	1	1	1	*
Credit is easy	*	*	*	*	1	1	1	*	*	5	7	7	6
UNFAVORABLE NEWS:													
Government; elections	3	3	2	3	3	4	3	3	3	4	2	4	3
Unemployment	21	16	15	16	22	18	19	14	21	40	50	43	31
Consumer demand low	10	6	7	6	10	8	10	8	9	10	9	12	12
Prices are high	20	13	13	16	10	16	14	17	17	11	8	12	13
Credit is tight	5	6	9	20	14	7	9	22	24	16	9	5	5
Energy crisis	11	4	3	5	4	4	4	1	1	*	1	1	1

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 14 - RECENT CHANGES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

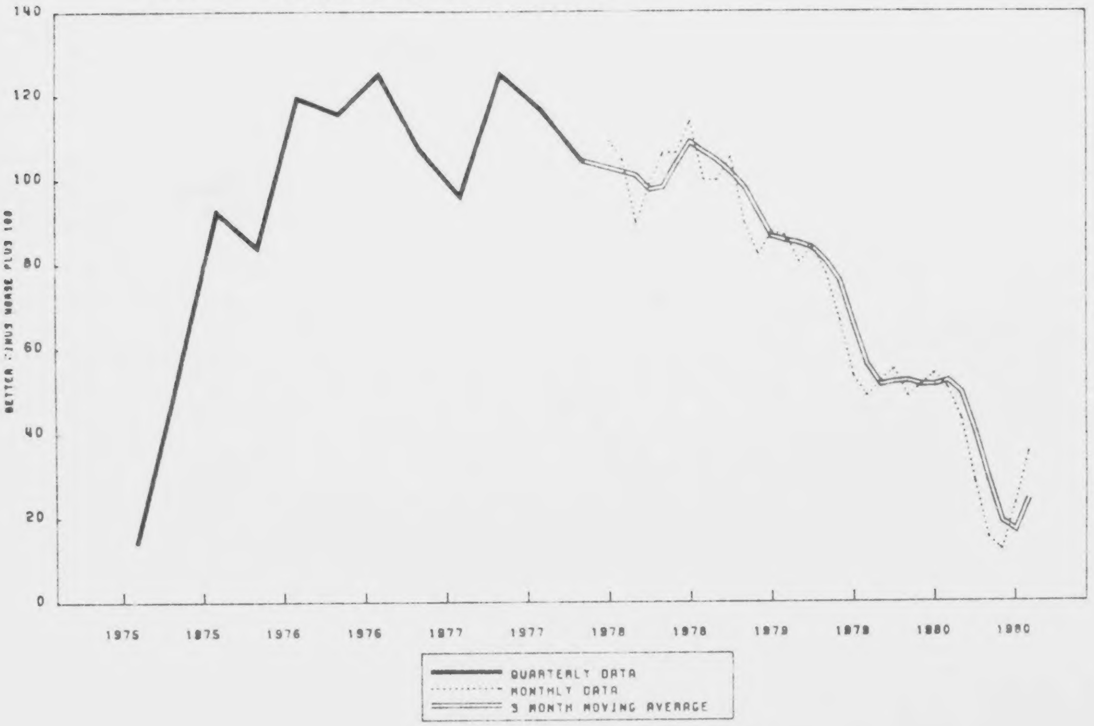

CHART 14 - HISTORICAL SERIES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

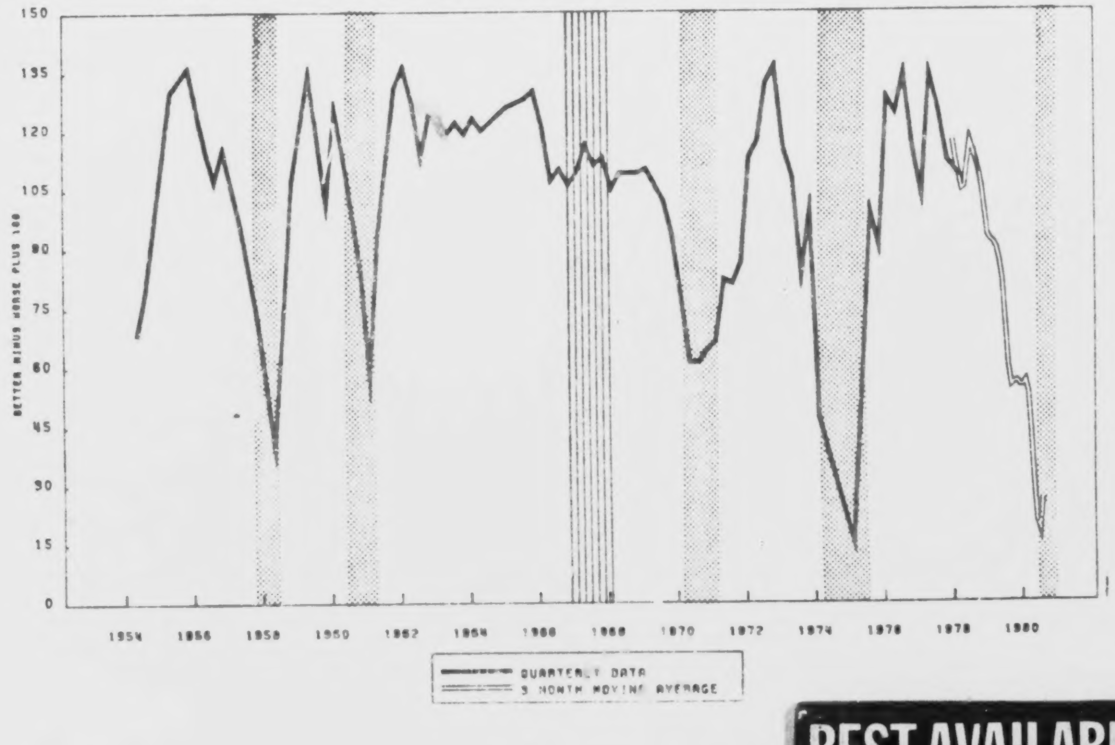

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TABLE 14

CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

	Aug. 1979	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980
BETTER NOW	20%	22%	22%	19%	21%	21%	21%	15%	10%	6%	4%	10%	15%
SAME	10	9	11	13	12	14	10	12	10	4	5	4	7
WORSE NOW	68	66	63	66	65	62	67	69	79	90	90	85	77
DK,NA	2	3	4	2	2	3	2	4	1	*	1	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1212	946	1167	1327	850	769	1019	707	719	703	688	668	658

The question was: "Would you say that at the present time business conditions are better or worse than they were a year ago?"

* : Less than half of one percent.

CHART 15 - RECENT CHANGES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

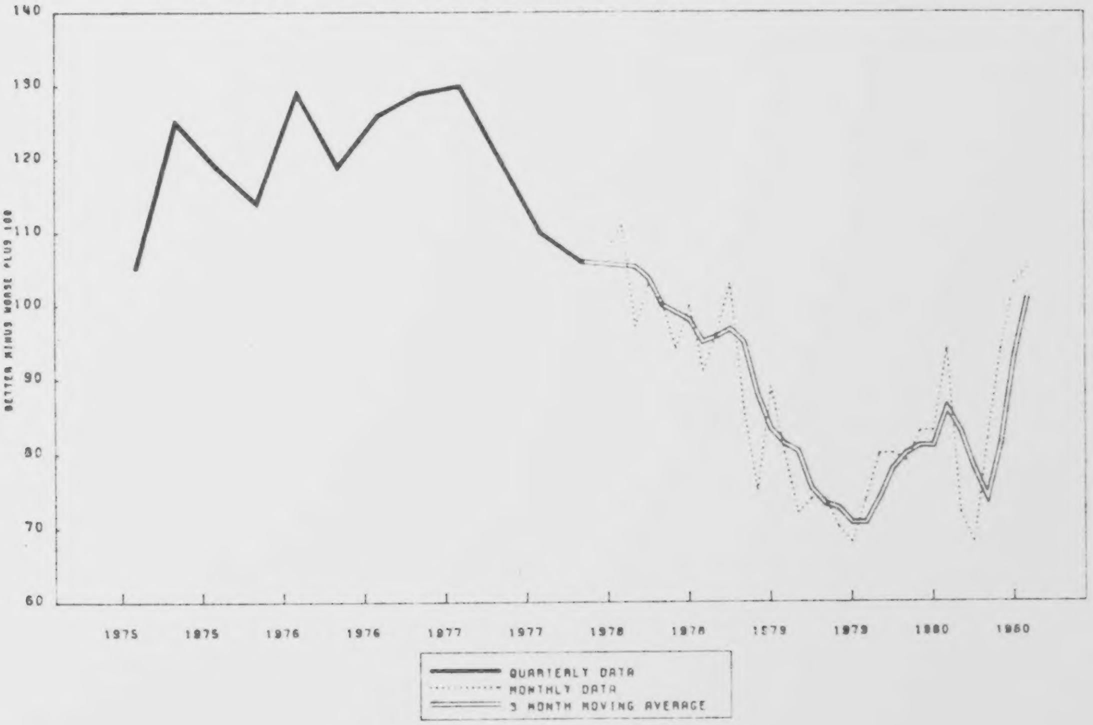

CHART 15 - HISTORICAL SERIES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

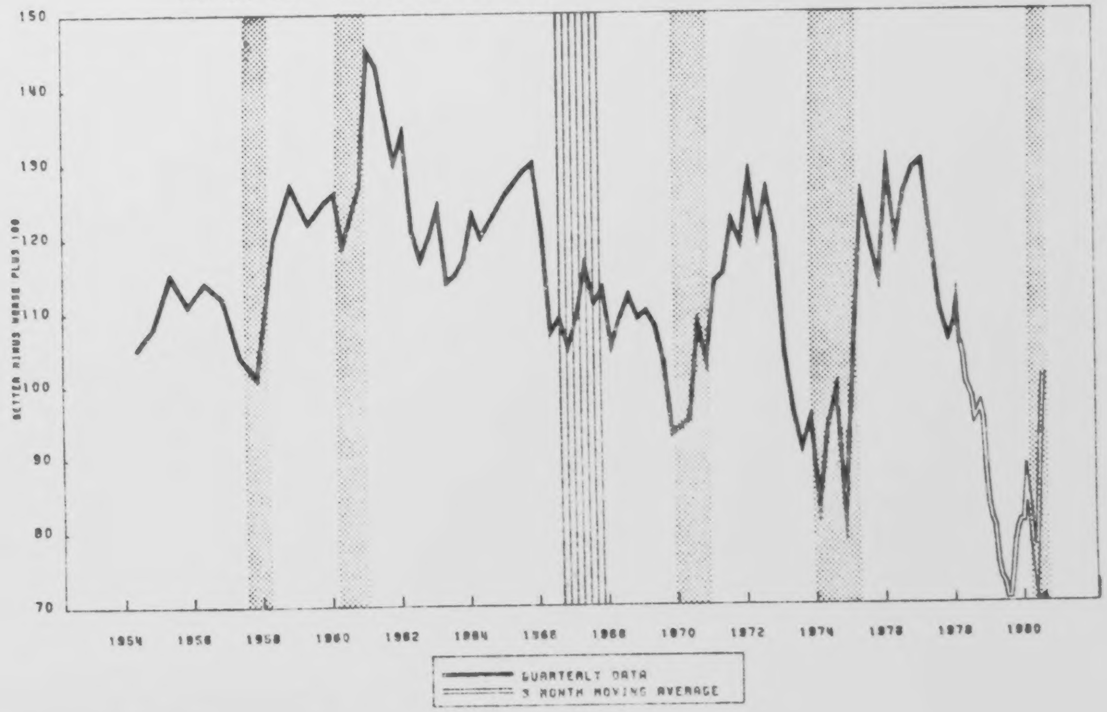

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TABLE 15

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

	Aug. 1979	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980
BETTER	13%	15%	15%	15%	17%	17%	21%	14%	14%	21%	26%	28%	28%
SAME	46	46	47	47	43	45	49	42	37	37	38	43	44
WORSE	39	35	35	36	36	35	27	42	46	39	32	25	23
DK,NA	2	4	3	2	4	3	3	2	3	3	4	4	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1212	946	1167	1327	850	769	1019	707	719	703	688	668	658

The question was: "And how about a year from now, do you expect that in the country as a whole business conditions will be better, or worse than they are at present, or just about the same?"

TABLE 16

REASONS FOR OPINIONS ABOUT CHANGES IN BUSINESS CONDITIONS IN A YEAR

	Aug. 1979	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980
FAVORABLE REASONS:													
Government; elections	6%	na	na	9%	na	na	11%	na	8%	11%	10%	15%	14%
Employment	2			2			4		2	2	3	4	4
Consumer demand high	3			2			3		1	3	1	2	3
Prices are low	1			2			1		3	2	3	1	1
Credit is easy	*			2			1		1	4	5	2	3
UNFAVORABLE REASONS:													
Government; elections	9			8			13		15	7	7	12	7
Unemployment	9			9			5		11	14	12	10	7
Consumer demand low	7			7			7		6	5	5	6	7
Prices are high	24			23			16		25	14	10	9	14
Credit is tight	2			7			3		12	6	4	2	2
Energy crisis	8			6			6		3	2	1	1	1

The question was: "Why do you expect business conditions to be better/the same/worse a year from now?" following the question on Table 15.

na : Not available.

* : Less than half of one percent.

CHART 17 - RECENT CHANGES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

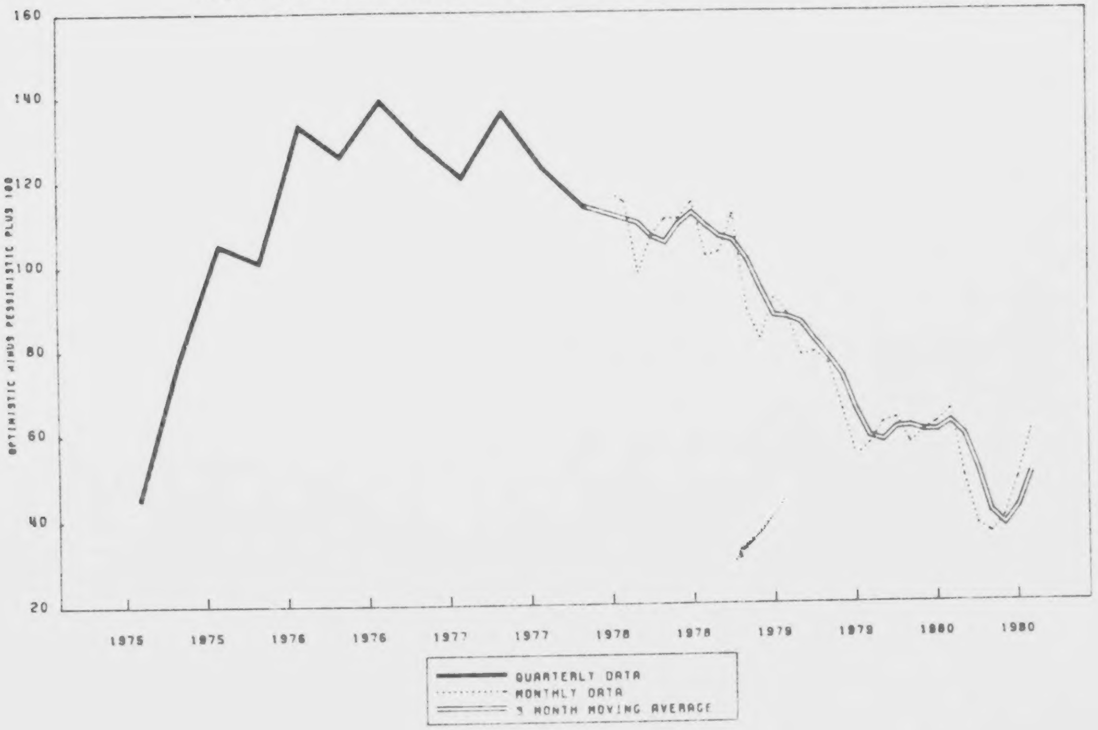

CHART 17 - HISTORICAL SERIES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

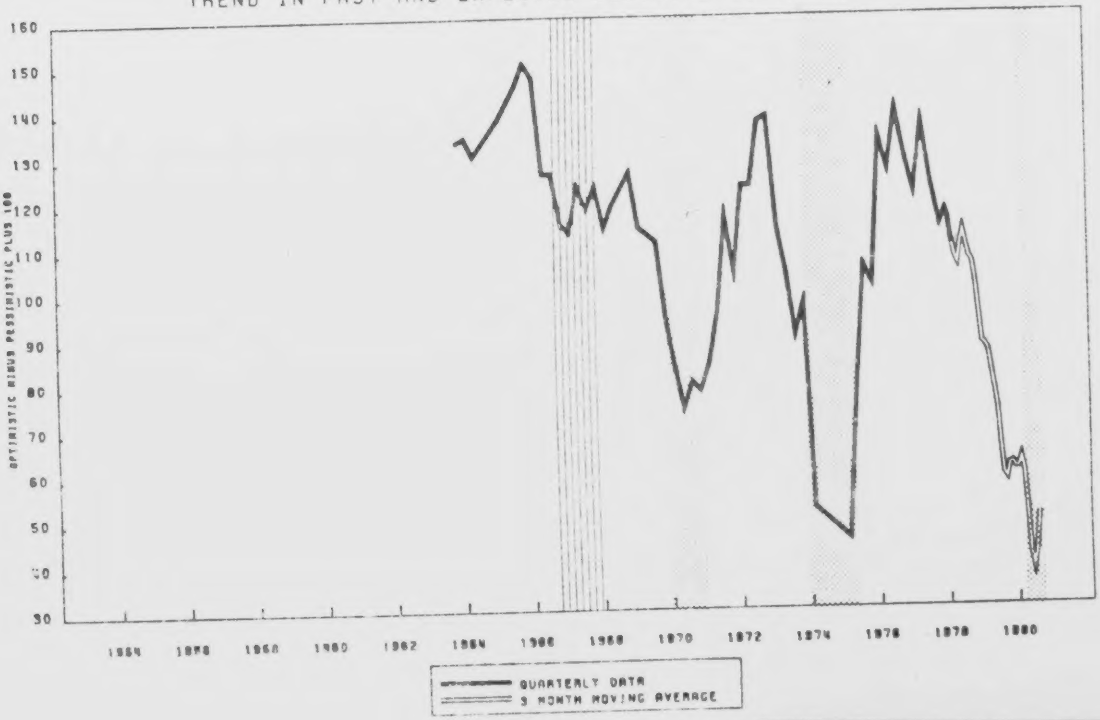

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TABLE 17

TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS +

	Aug. 1979	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980
TREND:													
Continuous increase (a)	4%	5%	7%	4%	5%	6%	8%	3%	4%	1%	1%	2%	5%
Intermittant increase (b)	13	14	12	12	12	10	12	9	6	5	4	7	9
Remained unchanged (c)	5	5	7	8	6	9	6	6	3	1	2	1	3
Intermittant decline (d)	30	30	31	30	29	30	33	31	32	34	35	37	35
Continuous decline (e)	32	28	26	29	28	24	22	32	41	36	30	23	19
Mixed change (f)	12	13	11	14	14	16	15	14	10	20	23	26	23
,NA	4	5	6	3	6	5	4	5	4	3	5	4	6
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1212	946	1167	1327	850	769	1019	707	719	703	688	668	658

Combination of the responses to the questions on Tables 14 and 15.

Key: (a) Better than a year ago/Better a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

+ : May add to more than 100% due to multiple mentions.

CHART 18 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

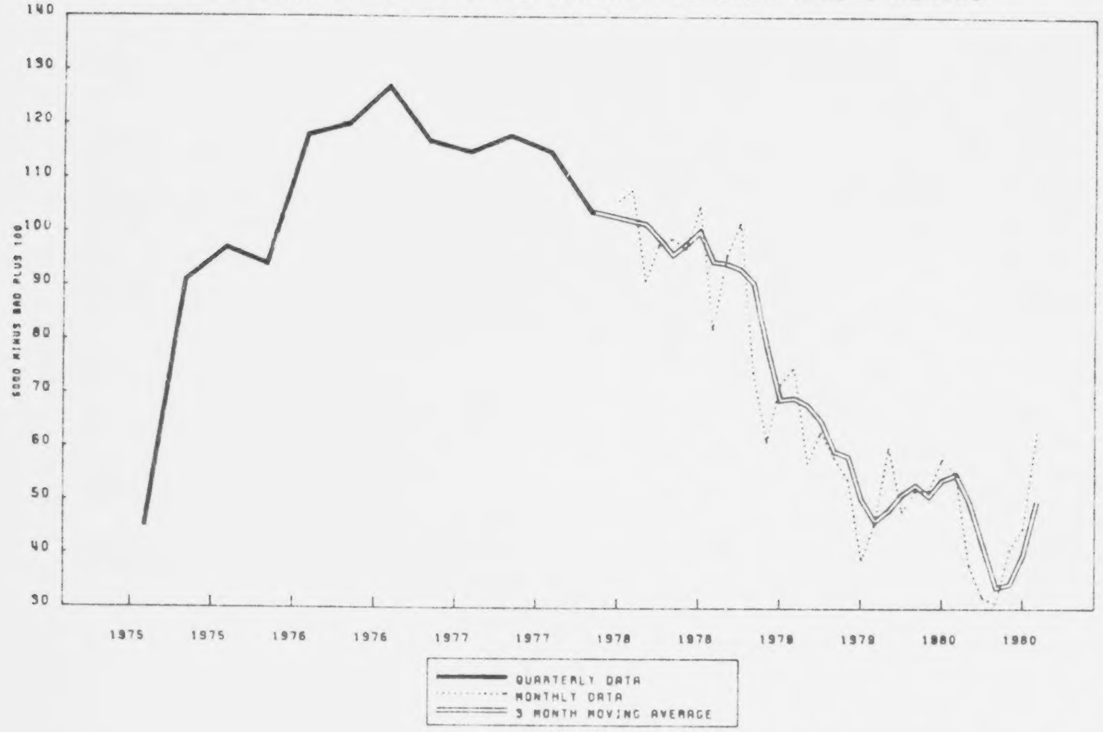

CHART 18 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

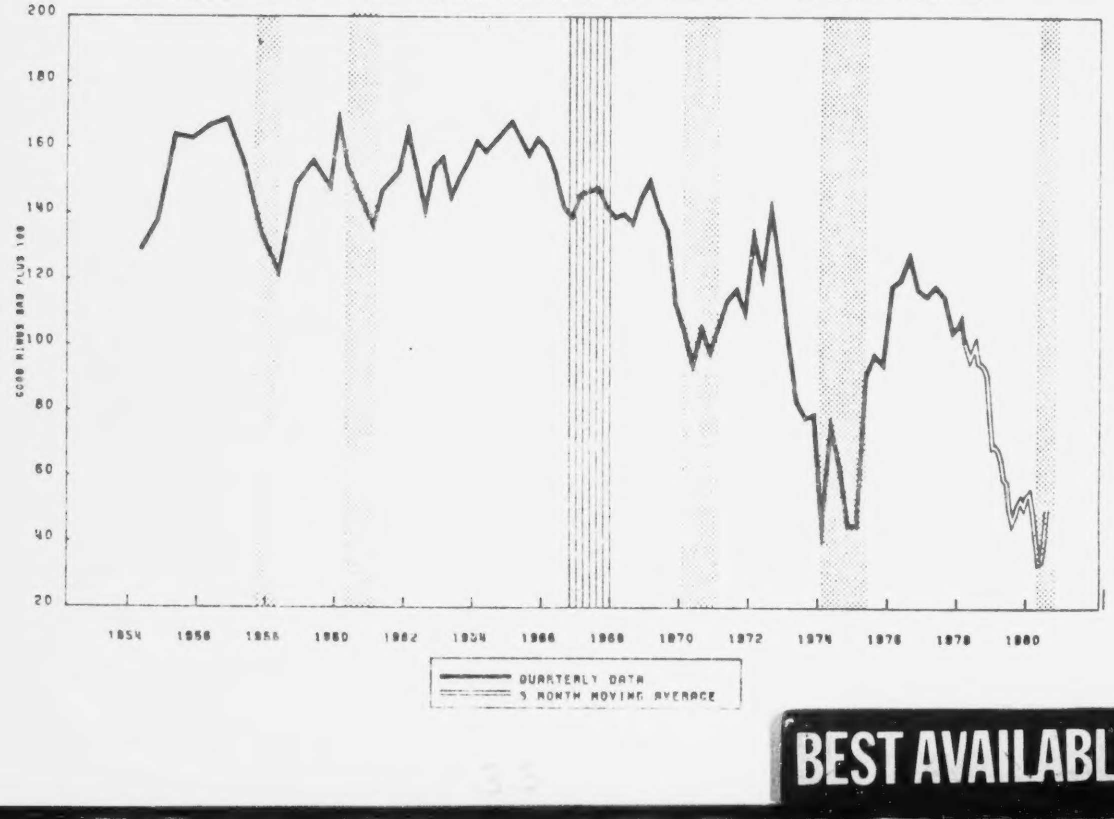

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TABLE 18

BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS

	Aug. 1979	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980
GOOD TIMES	17%	23%	18%	20%	19%	24%	22%	14%	11%	13%	18%	19%	25%
UNCERTAIN; GOOD & BAD	3	3	1	3	2	1	1	1	1	1	1	1	2
BAD TIMES	71	63	70	68	69	66	67	76	79	82	75	74	62
DON´T KNOW	5	5	5	4	4	4	5	4	4	3	4	4	7
NOT ASCERTAINED	4	6	6	5	6	5	5	5	5	1	2	2	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1212	946	1167	1327	850	769	1019	707	719	703	688	668	658

The question was: "Now turning to business conditions in the country as a whole--do you think that during the next 12 months we´ll have good times financially, or bad times or what?"

CHART 19 - RECENT CHANGES
BUSINESS CONDITICNS EXPECTED FOR THE NEXT FIVE YEARS

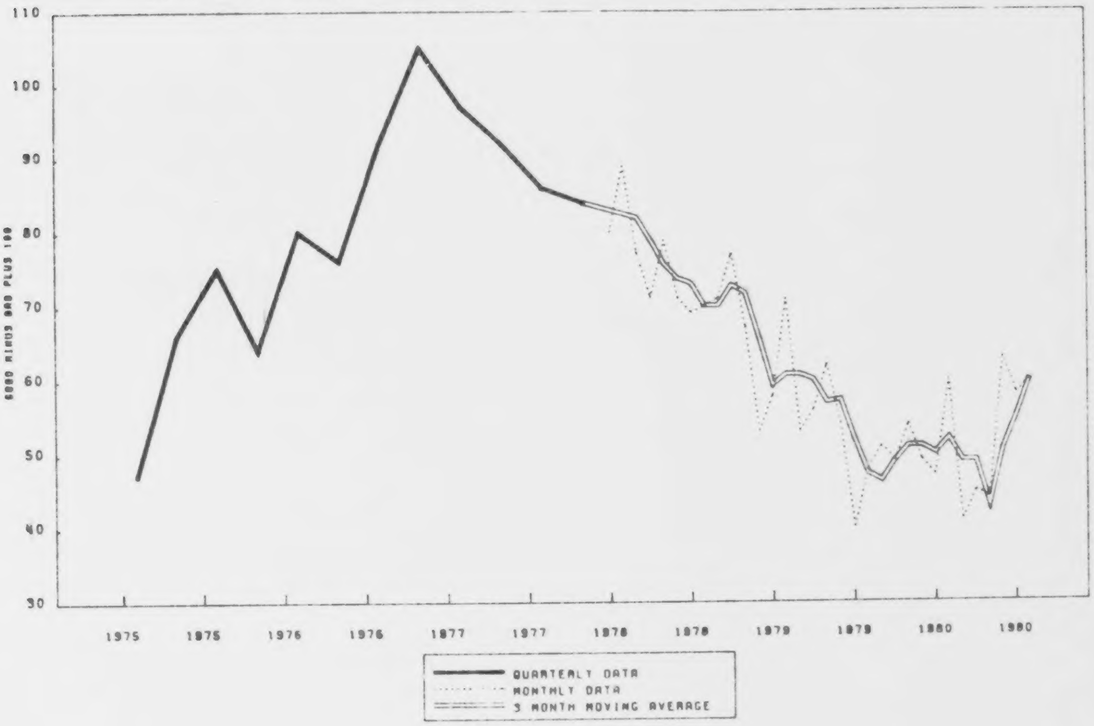

CHART 19 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

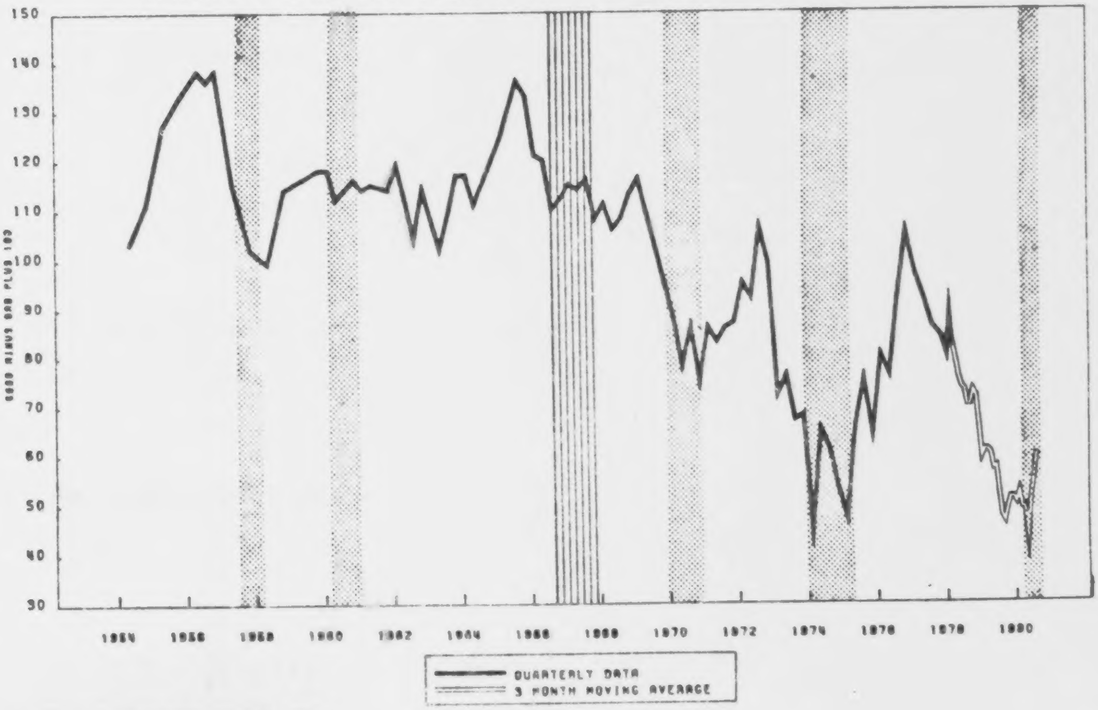

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TABLE 19

BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS

	Aug. 1979	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980
GOOD TIMES	14%	16%	16%	18%	15%	17%	21%	13%	14%	15%	22%	19%	19%
UNCERTAIN; GOOD & BAD	15	16	13	12	15	9	14	10	12	10	12	13	16
BAD TIMES	66	65	67	64	65	70	61	72	69	71	59	61	59
NOT ASCERTAINED	5	3	4	6	5	4	4	5	5	4	7	7	6
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1212	946	1167	1327	850	769	1019	707	719	703	688	668	658

The question was: "Looking ahead, which would you say is more likely—that in the country as a whole we'll have continuous good times during the next 5 years or so, or that we will have periods of widespread unemployment or depression, or what?"

CHART 20 - RECENT CHANGES
EXPECTED CHANGE IN UNEMPLOYMENT

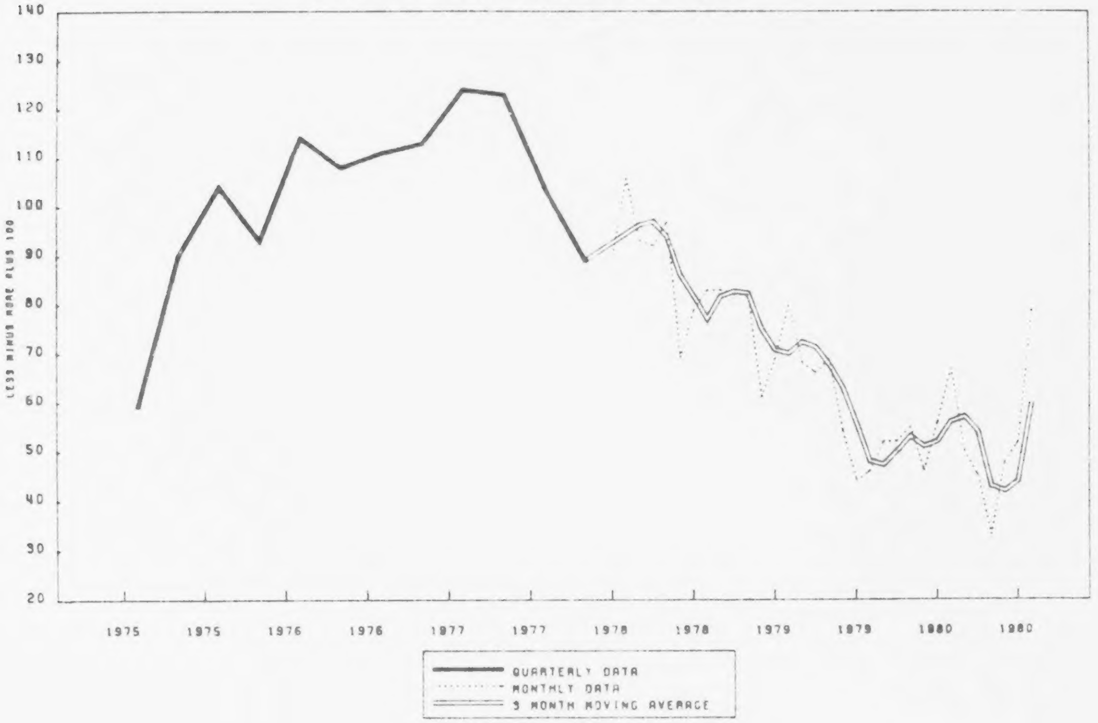

CHART 20 - HISTORICAL SERIES
EXPECTED CHANGE IN UNEMPLOYMENT

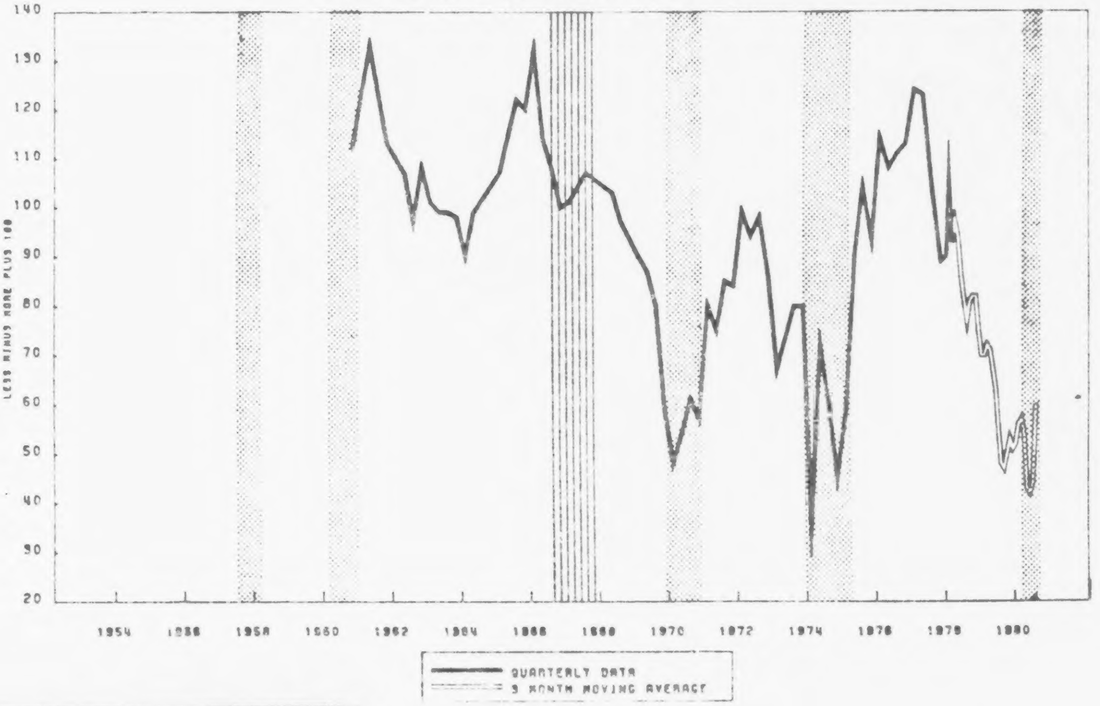

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TABLE 20

EXPECTED CHANGE IN UNEMPLOYMENT

	Aug. 1979	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980
LESS	7%	7%	7%	8%	8%	9%	13%	7%	7%	5%	11%	11%	19%
SAME	30	36	36	36	30	34	38	35	29	23	25	30	38
MORE	62	55	55	54	61	54	46	57	62	72	63	59	40
DK,NA	1	2	2	2	1	3	3	1	2	*	1	*	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1212	946	1167	1327	850	769	1019	707	719	703	688	668	658

The question was: "How about people out of work during the coming 12 months--do you think that there will be more unemployment than now, about the same, or less?"

* : Less than half of one percent.

CHART 21 - RECENT CHANGES
EXPECTED CHANGE IN INTEREST RATES

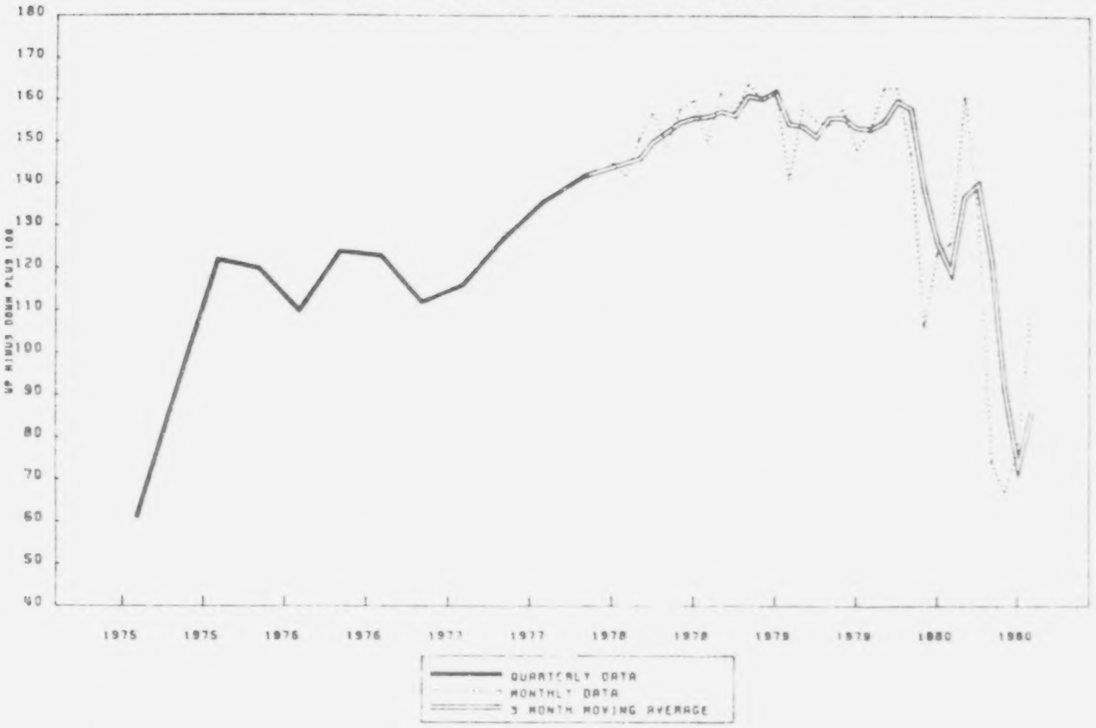

CHART 21 - HISTORICAL SERIES
EXPECTED CHANGE IN INTEREST RATES

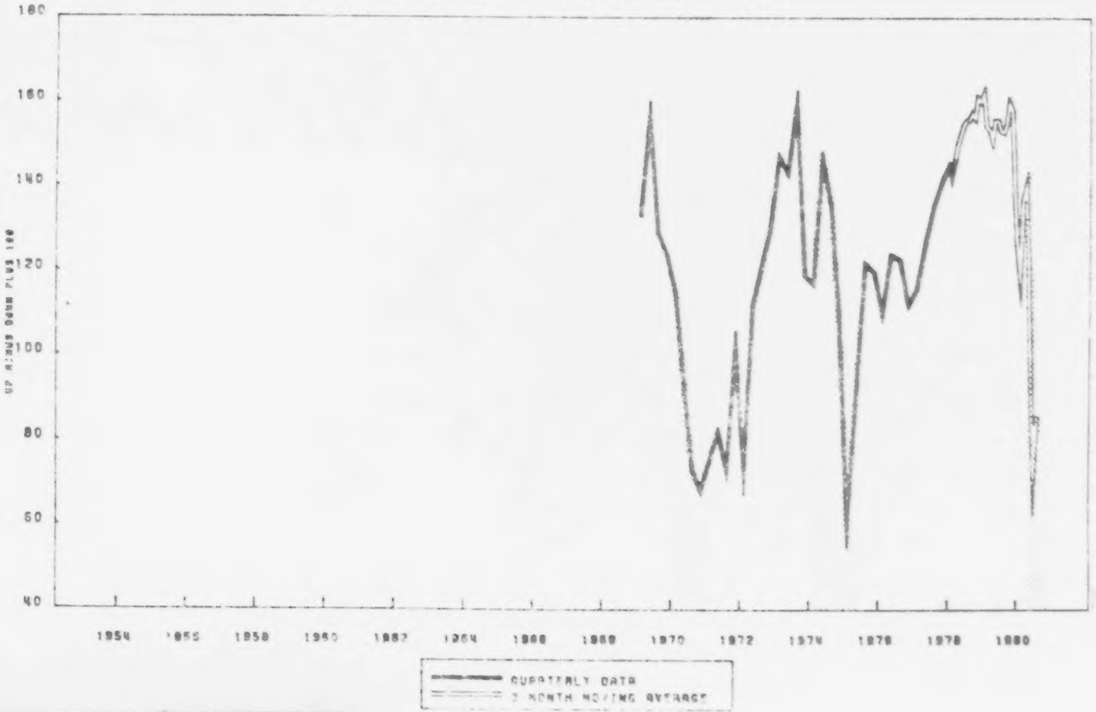

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TABLE 21

EXPECTED CHANGE IN INTEREST RATES

	Aug. 1979	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980
GO UP	61%	70%	70%	62%	40%	45%	47%	71%	56%	26%	21%	21%	39%
STAY THE SAME	26	20	20	20	22	30	29	16	18	20	22	31	30
GO DOWN	8	7	7	15	34	21	21	10	24	52	54	44	26
DK,NA	5	3	3	3	4	4	3	3	2	2	3	4	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1212	946	1167	1327	850	769	1019	707	719	703	688	668	658

The question was: "No one can say for sure, but what do you think will happen to interest rates for borrowing money during the next 12 months--will they go up, stay the same, or go down?"

CHART 22

CHANGE IN PRICES DURING THE LAST 12 MONTHS

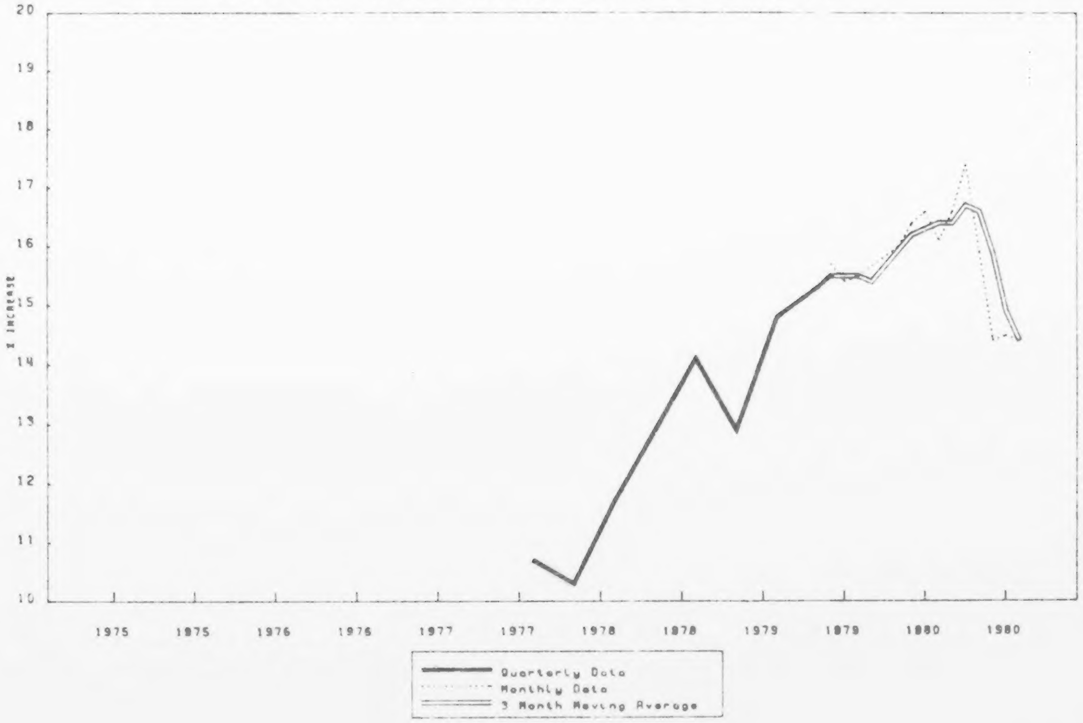

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TABLE 22

CHANGE IN PRICES DURING THE LAST 12 MONTHS

	Aug. 1979	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980
SAME OR DOWN	1%	na	na	2%	1%	1%	3%	2%	2%	5%	6%	4%	4%
GONE UP BY:													
1-2%	2			1	3	1	1	2	2	1	1	3	2
3-4%	3			3	3	4	3	5	3	4	3	5	6
5%	7			5	5	6	6	6	5	5	6	7	8
6-9%	9			10	10	6	9	8	9	6	10	11	12
10-14%	30			31	33	32	28	25	24	27	25	22	20
15% or more	35			34	31	35	38	41	43	37	33	29	32
DK how much up	13			14	14	15	12	11	12	15	15	18	15
DK,NA	*			*	*	*	*	*	*	*	1	1	1
TOTAL	100%			100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	15.5			16.0	16.4	16.6	16.1	16.6	17.4	15.9	14.4	14.5	14.4
VARIANCE	142			162	188	176	149	167	179	175	140	168	163
CASES	1212			1327	850	769	1019	707	719	703	688	668	655

The questions were: "During the last 12 months, have prices of the things you buy remained unchanged, or have they gone up, or have they gone down?" and "By about what percent do you think prices have gone up,on the average, during the last 12 months?"

na : Not available.

* : Less than half of one percent.

CHART 23 - RECENT CHANGES

MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

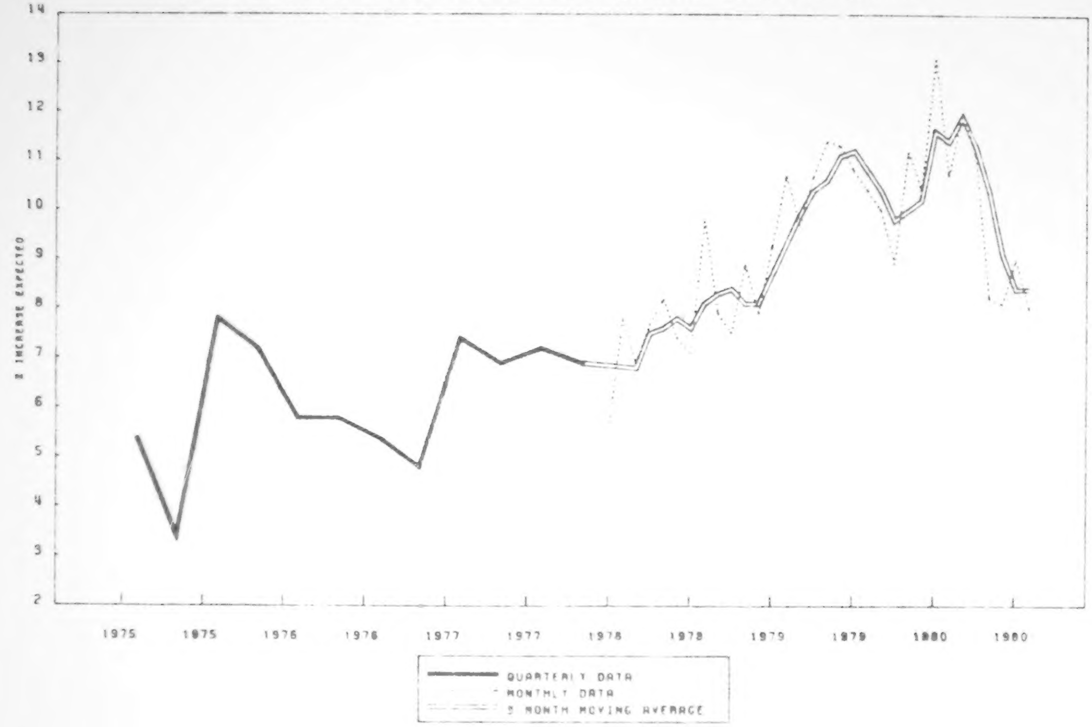

CHART 23 - HISTORICAL SERIES

MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

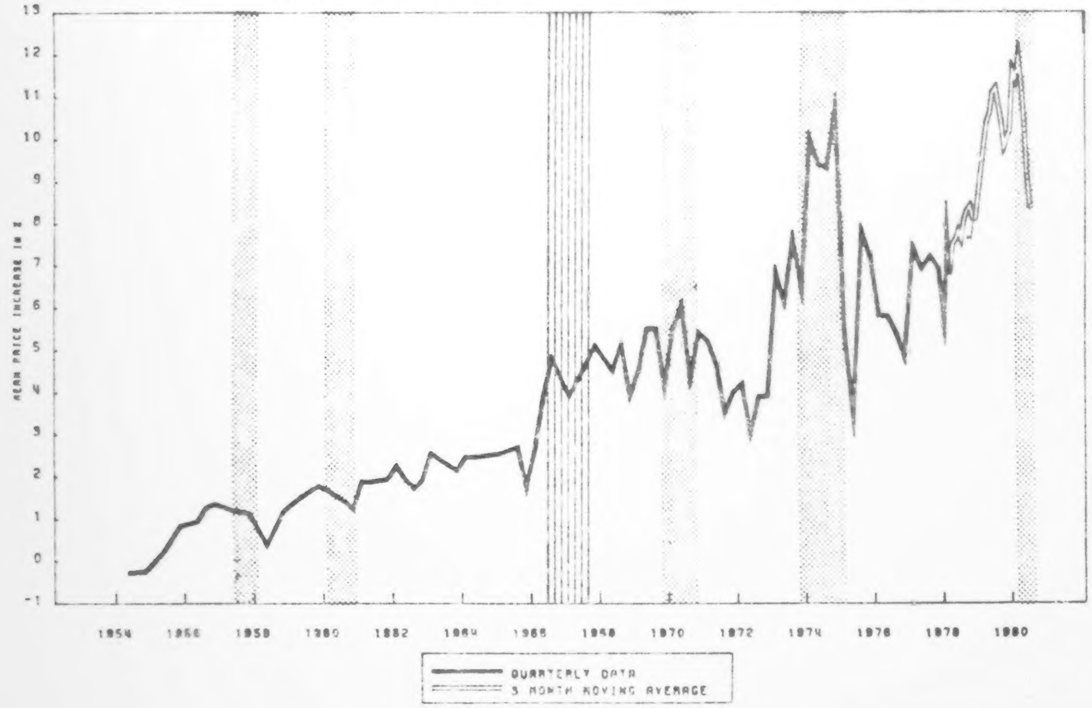

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TABLE 23

EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

	Aug. 1979	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Au 19
SAME OR DOWN	13%	12%	13%	12%	14%	9%	8%	13%	20%	31%	27%	22%	18
WILL GO UP BY:													
1-2%	2	5	4	2	3	2	4	3	2	1	3	3	6
3-4%	6	5	6	5	4	4	4	4	3	4	6	5	7
5%	9	8	10	7	7	7	11	8	7	9	7	8	11
6-9%	12	15	14	13	13	12	12	9	8	9	10	10	12
10-14%	28	27	25	29	28	28	31	26	24	17	20	21	24
15% or more	19	14	11	19	19	25	19	27	25	18	14	15	1
DK how much up	10	13	16	12	9	11	10	7	9	10	10	13	11
DK,NA	1	1	1	1	3	2	1	3	2	1	3	3	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100
MEAN INCREASE	10.4	9.7	8.9	11.2	10.8	13.1	10.7	12.0	11.1	8.2	8.1	9.0	8.
VARIANCE	92	89	71	111	103	139	84	122	125	92	89	95	71
CASES	1212	946	1167	1327	850	769	1019	707	719	703	688	668	6

The questions were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" and "By about what percent do you expect prices to go up, on the average, during the next 12 months?"

CHART 24 - RECENT CHANGES
UNEMPLOYMENT OR INFLATION MORE SERIOUS

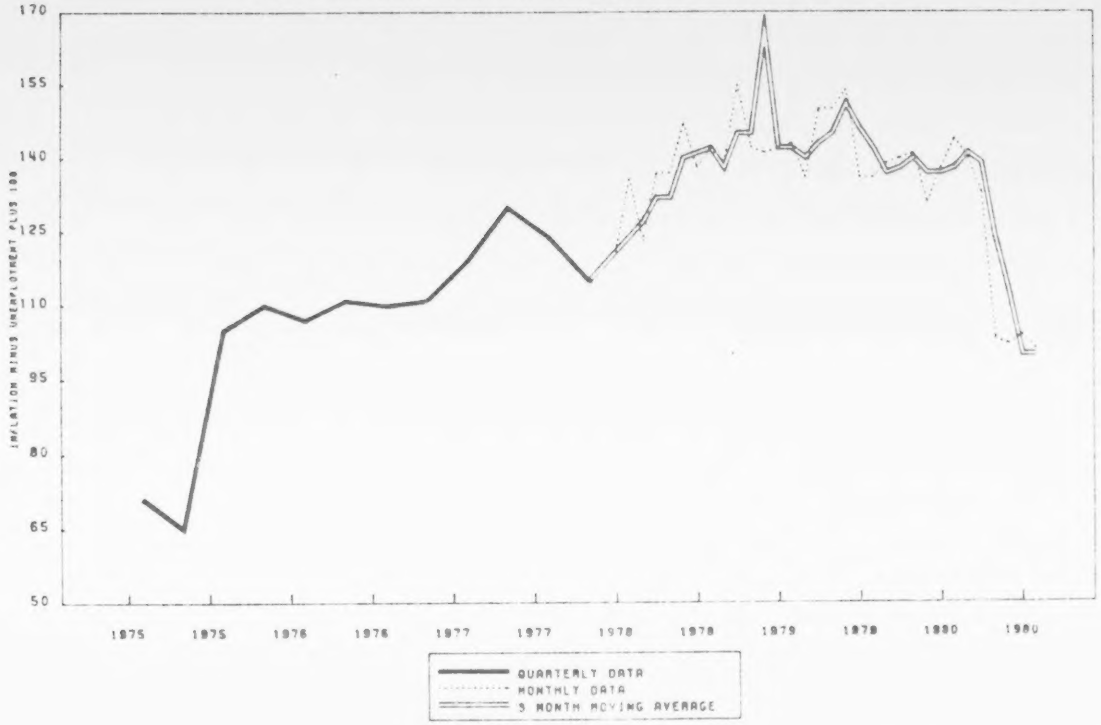

CHART 24 - HISTORICAL SERIES
UNEMPLOYMENT OR INFLATION MORE SERIOUS

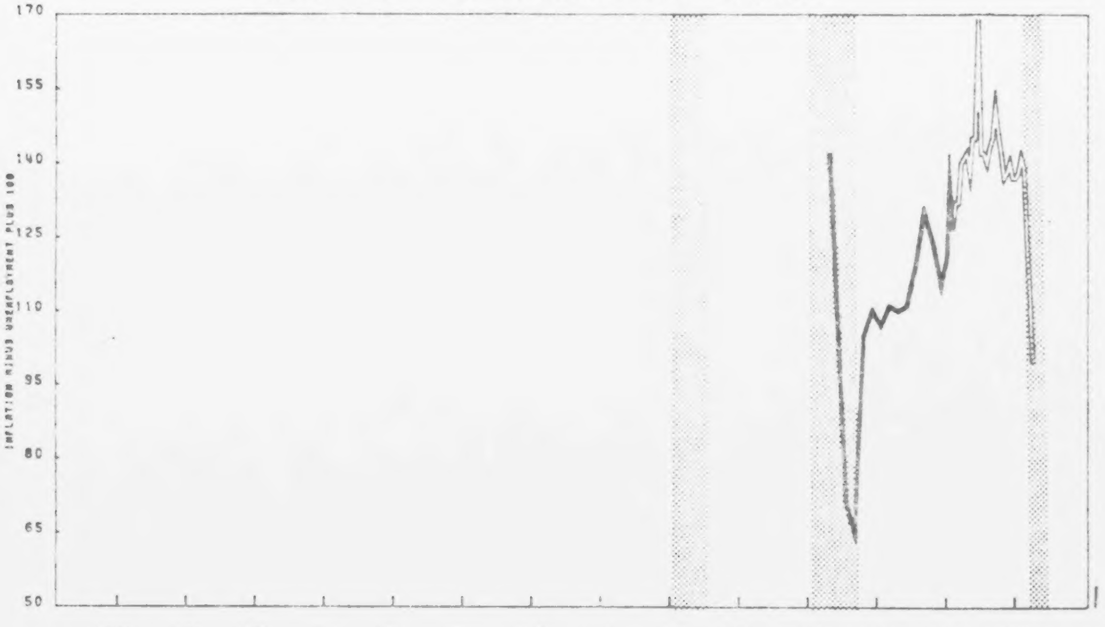

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TABLE 24

UNEMPLOYMENT OR INFLATION MORE SERIOUS

	Aug. 1979	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 198
UNEMPLOYMENT	27%	26%	25%	24%	29%	26%	24%	25%	26%	40%	43%	45%	4
BOTH EQUALLY SERIOUS	9	7	8	8	9	7	7	8	14	16	11	11	10
INFLATION	63	65	65	65	60	64	68	65	59	43	45	41	44
DK,NA	1	2	2	3	2	3	1	2	1	1	1	3	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100
CASES	1212	946	1167	1327	850	769	1019	707	719	703	688	668	65

The question was: "Which of the two problems--unemployment or inflation--do you think will cause the more serious economic hardship for people during the next year or so?"

CHART 25 - RECENT CHANGES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

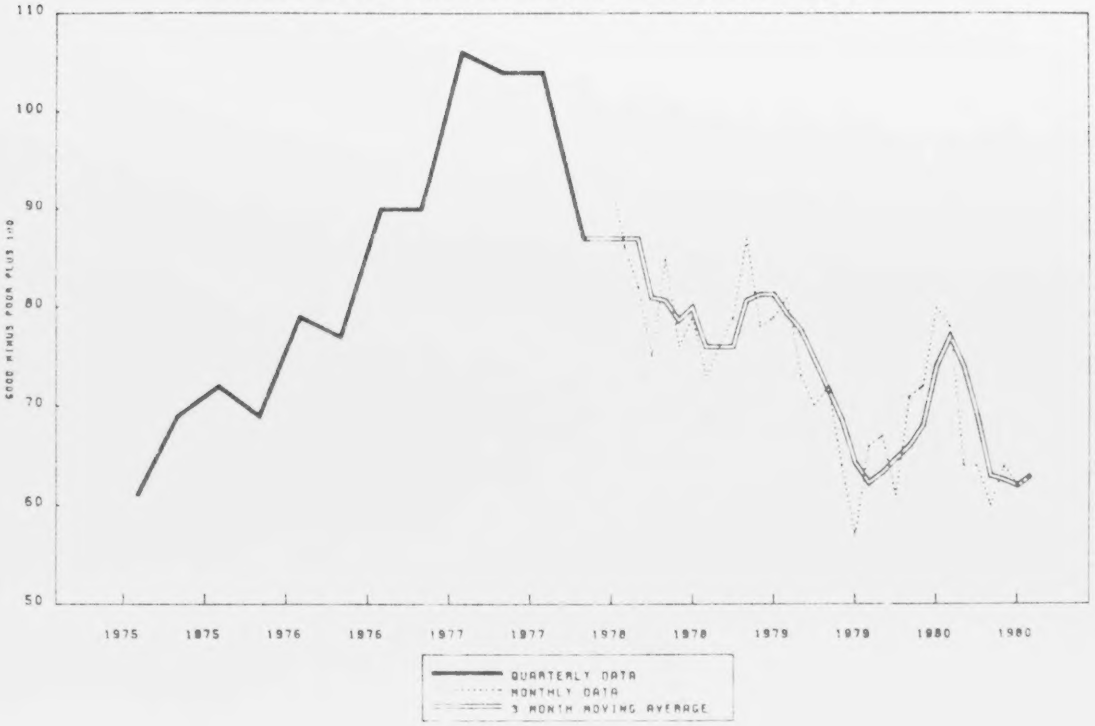

CHART 25 - HISTORICAL SERIES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

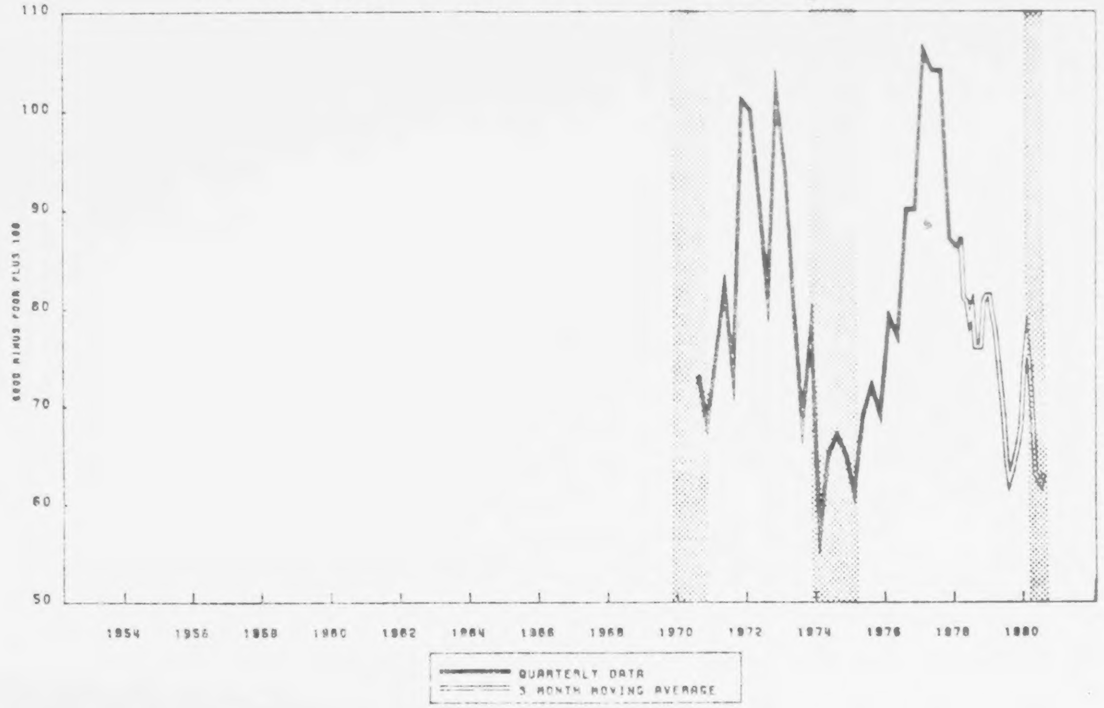

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TABLE 25

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

	Aug. 1979	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980
A GOOD JOB	8%	7%	6%	10%	9%	11%	12%	7%	6%	5%	10%	9%	8%
ONLY FAIR	48	51	46	47	49	54	51	46	48	48	40	41	45
A POOR JOB	42	40	45	39	38	31	34	43	42	45	46	47	45
DK,NA	2	2	3	4	4	4	3	4	4	2	4	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1212	946	1167	1327	850	769	1019	707	719	703	688	668	658

The question was: "As to the economic policy of the government--I mean steps taken to fight inflation or unemployment--would you say the government is doing a good job, only fair, or a poor job?"

CHART 26 - RECENT CHANGES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

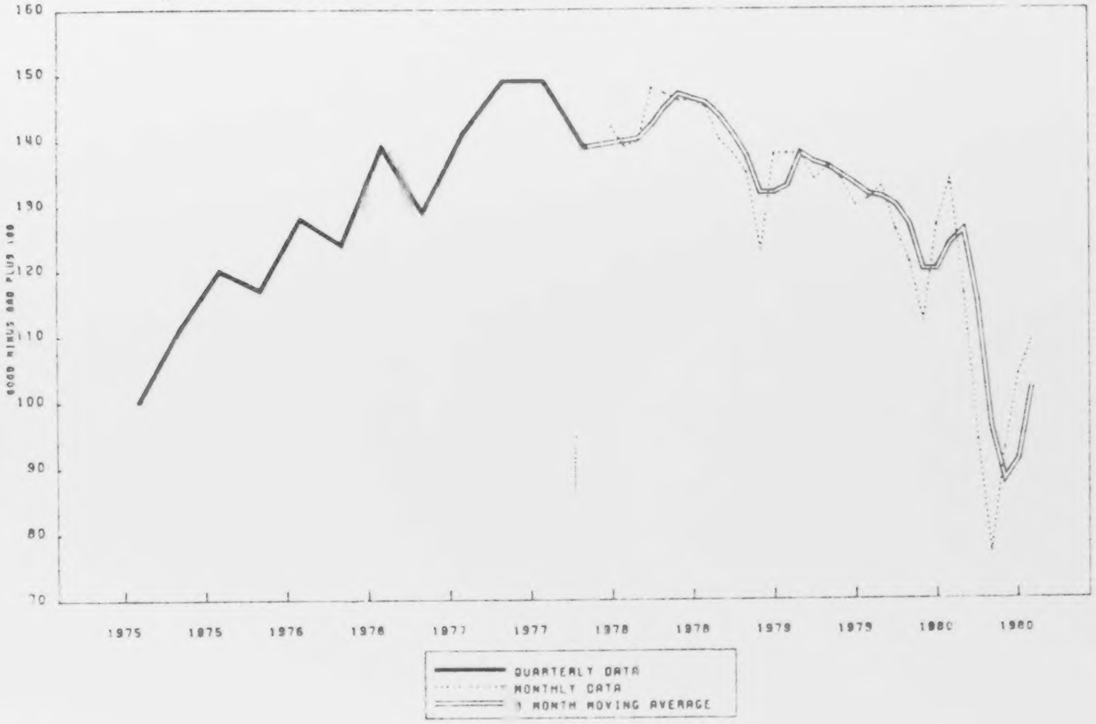

CHART 26 - HISTORICAL SERIES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

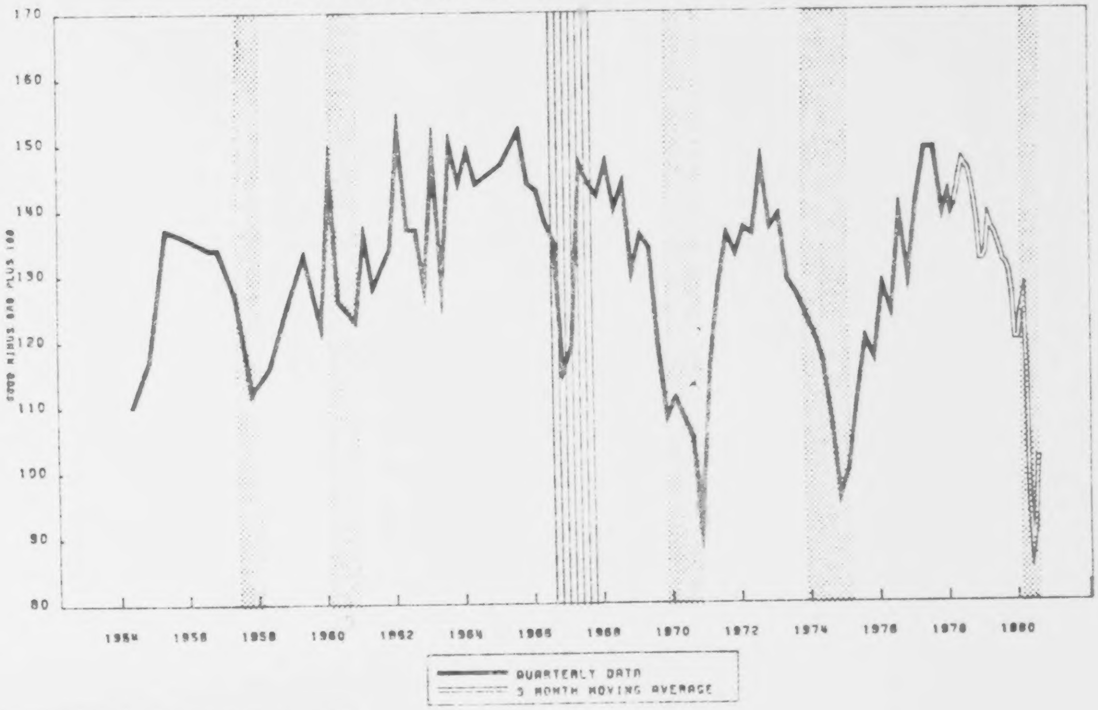

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TABLE 26

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

	Aug. 1979	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980
GOOD TIME TO BUY	58%	62%	58%	53%	52%	60%	60%	54%	41%	35%	41%	44%	47%
UNCERTAIN, DEPENDS	15	9	10	14	6	7	14	8	12	7	11	16	15
BAD TIME TO BUY	27	29	32	33	42	33	26	38	47	58	48	40	38
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1212	946	1167	1327	850	769	1019	707	719	703	688	668	658

The question was: "About the big things people buy for their homes--such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a good or a bad time for people to buy major household items?"

TABLE 27

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS +

	Aug. 1979	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Au 19
GOOD TIME TO BUY:													
Prices are low; good buys available	19%	13%	8%	18%	12%	17%	23%	12%	9%	14%	16%	19%	17
Prices won´t come down; are going higher	33	42	48	27	38	47	33	43	28	25	26	22	27
Interest rates low; credit is easy	1	3	5	2	3	3	3	5	3	2	3	5	5
BAD TIME TO BUY:													
Prices are high	17	18	18	20	25	20	16	23	30	34	29	23	23
Interest rates are high; credit is tight	5	11	9	13	17	12	11	19	28	31	24	19	[illegible]
Lack of purchasing power	9	11	14	9	15	19	8	12	14	16	15	20	14

Responses to the query: "Why do you say so?" following the question on Table 26.

+ : May add to more than 100% due to multiple mentions.

CHART 28 - RECENT CHANGES
BUYING CONDITIONS FOR HOUSES

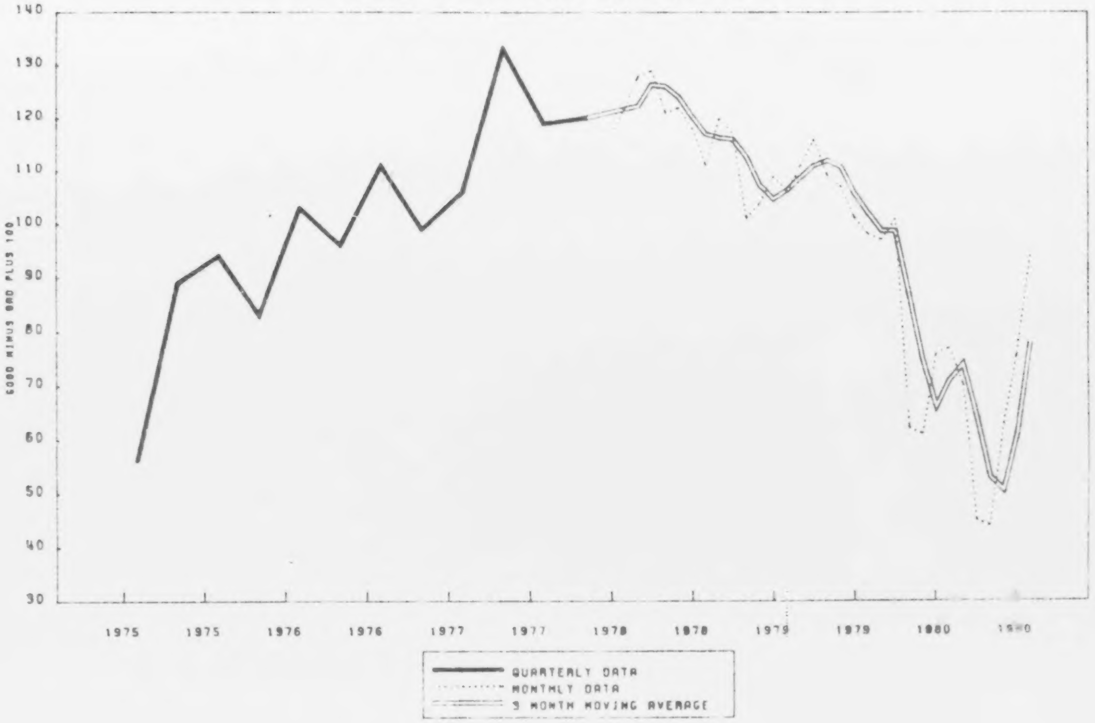

CHART 28 - HISTORICAL SERIES
BUYING CONDITIONS FOR HOUSES

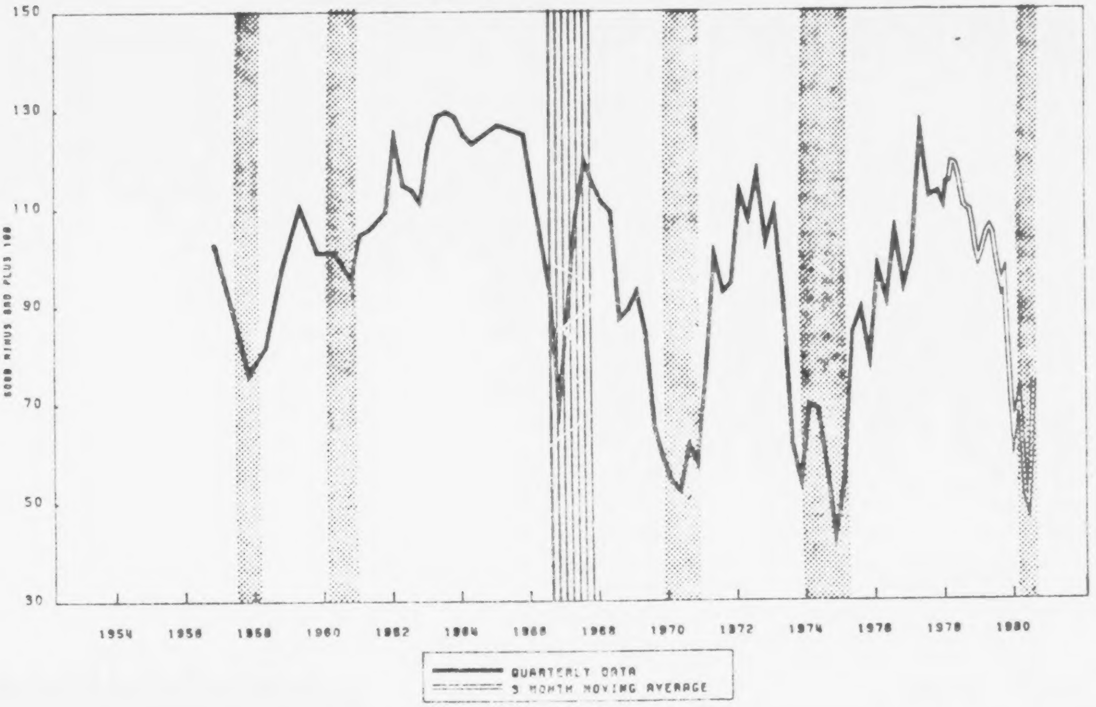

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TABLE 28

BUYING CONDITIONS FOR HOUSES

	Aug. 1979	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 19
GOOD TIME TO BUY	46%	46%	47%	28%	28%	36%	36%	32%	19%	18%	29%	34%	4
UNCERTAIN, DEPENDS	6	5	6	6	6	4	5	6	7	8	5	8	6
BAD TIME TO BUY	48	49	47	66	66	60	59	62	74	74	66	58	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	10
CASES	1212	946	1167	1327	850	769	1019	707	719	703	688	668	658

The question was: "Generally speaking, do you think now is a good time or a bad time to buy a house?"

TABLE 29

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES +

	Aug. 1979	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980
GOOD TIME TO BUY:													
Prices are low; good buys available	3%	na	na	3%	na	na	4%	na	4%	3%	6%	9%	9%
Prices won't come down; are going higher	30			17			20		8	8	11	12	14
Interest rates low; credit is easy	10			8			9		3	6	16	23	28
Good investment	12			8			12		9	7	5	6	10
BAD TIME TO BUY:													
Prices are high	31			31			30		31	30	27	30	26
Interest rates are high; credit is tight	31			68			56		76	75	66	53	41
Lack of purchasing power	9			9			8		8	9	10	15	12

Responses to the query: "Why do you say so?" following the question on Table 28.

+ : May add to more than 100% due to multiple mentions.

na : Not available.

CHART 30 - RECENT CHANGES
BUYING CONDITIONS FOR CARS

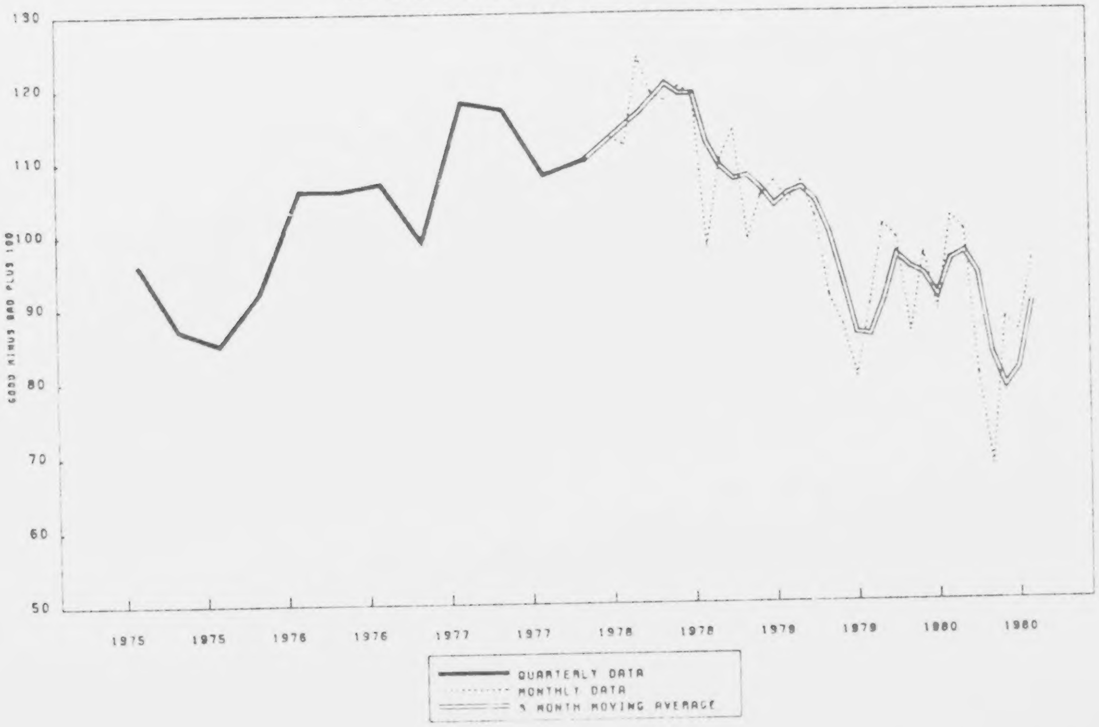

CHART 30 - HISTORICAL SERIES
BUYING CONDITIONS FOR CARS

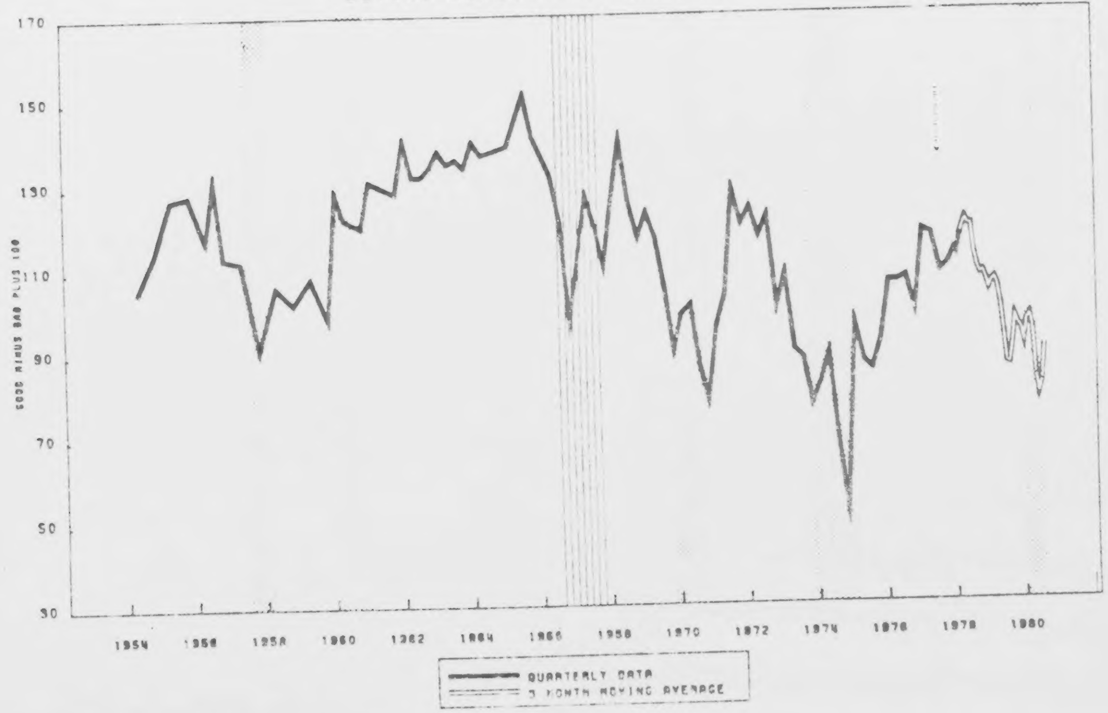

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TABLE 30

BUYING CONDITIONS FOR CARS

	Aug. 1979	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980
GOOD TIME TO BUY	38%	44%	45%	38%	44%	40%	47%	45%	35%	29%	37%	36%	42%
UNCERTAIN; DEPENDS	14	11	9	10	9	10	8	10	10	10	14	14	12
BAD TIME TO BUY	48	45	46	52	47	50	45	45	55	61	49	50	46
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	1212	946	1167	1327	850	769	1019	707	719	703	688	668	658

The question was: "Speaking now of the automobile market--do you think the next 12 months or so will be a good time or a bad time to buy a car?"

TABLE 31

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS +

	Aug. 1979	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980
GOOD TIME TO BUY:													
Prices are low; good buys available	17%	21%	16%	14%	20%	13%	21%	19%	15%	25%	27%	25%	24%
Prices won't come down; are going higher	14	21	23	16	20	22	19	22	10	8	9	13	12
Interest rates low; credit is easy	1	2	3	2	1	2	3	3	4	1	3	4	4
New fuel efficient models	11	9	8	8	10	8	14	13	12	6	5	3	7
BAD TIME TO BUY:													
Prices are high	27	25	27	30	27	31	22	25	32	30	24	27	27
Interest rates are high; credit is tight	7	7	8	18	18	13	14	17	24	29	22	11	11
Lack of purchasing power	6	5	4	6	7	9	4	6	6	7	6	9	9
Price of gas; shortages	18	14	13	10	13	19	13	16	16	15	9	6	5
Poor selection; quality	11	11	10	8	8	10	10	9	8	7	10	13	13

Responses to the query: "Why do you say so?" following the question on Table 30.

+ May add to more than 100% due to multiple mentions.

TABLE 32

PLANS TO PURCHASE AN AUTOMOBILE DURING THE NEXT 12 MONTHS

	Aug. 1979	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980
PROBABLY WILL BUY	14%	na	na	16%	na	na	20%	na	16%	13%	12%	17%	16
CHANCES ARE EVEN	7			6			8		7	7	8	5	[illegible]
PROBABLY WILL NOT BUY	69			68			62		69	67	68	67	61
DK, NA	10			10			10		8	13	12	11	16
TOTAL	100%			100%			100%		100%	100%	100%	100%	100%
CASES	1212			1327			1019		719	703	688	668	658

The question was: "What do you think are the chances that you (or anyone else in your family living there) will buy or lease a car during the next 12 months--would you say you probably will, probably will not, or are the chances about even, or what?"

na : Not available.

TABLE 33

CURRENT VEHICLE PURCHASE INTENTIONS

	Aug. 1979	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Au 19
PROPORTION WITH CURRENT PURCHASE INTENTIONS:	21%	na	na	22%	na	na	28%	na	23%	20%	20%	22%	23
PURCHASE TYPE:													
Buy new	11			9			14		11	7	9	10	8
Buy used	9			11			12		9	9	7	11	12
Lease	1			1			1		2	1	1	1	1
DK,NA	*			1			1		1	3	3	*	2
PURCHASE TIMING:													
Next 3 months	3			4			2		4	2	1	5	3
Next 4-6 months	4			4			7		6	6	6	5	5
Next 7-9 months	4			5			7		6	5	5	3	4
10 months or more	4			5			6		2	3	5	4	4
DK,NA	6			4			6		5	4	3	5	7

If response was "PROBABLY WILL BUY" or "CHANCES ARE EVEN" in Table 32, then the questions were: "If you do buy or lease a car, would it be a new car, or a used car?" , "Would you buy or lease?" and "When do you think you might buy or lease a car?"

na : Not available.

* : Less than half of one percent.

TABLE 34

FUTURE VEHICLE PURCHASE INTENTIONS

	Aug. 1979	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 198
PROPORTION WITH FUTURE PURCHASE INTENTIONS:	69%	na	na	68%	na	na	62%	na	69%	67%	68%	67%	61
PURCHASE TYPE:													
Would buy new	39			41			36		40	39	38	40	35
Would buy used	28			25			24		26	25	27	24	24
DK,NA	2			2			2		3	3	3	3	2
PURCHASE TIMING:													
Less than 2 years	7			7			7		8	7	6	4	6
2 years	20			18			21		14	17	21	20	18
3 years	11			11			7		12	10	11	10	8
4 years or more	17			19			17		20	19	20	21	21
Indefinite	6			6			3		6	4	3	4	[illegible]
DK,NA	8			7			7		9	10	7	8	4

If response was "PROBABLY WILL NOT BUY" in Table 32, then the questions were: "If you were to buy a car, would it be a new car or a used car? and "How long do you think it may be before will buy or lease a car?"

na : Not available.

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Recd 9/3/80

AUGUST 1980 SURVEY

Surveys of Consumer Attitudes

Richard T. Curtin, Director

SIGNIFICANT IMPROVEMENT IN CONSUMER SENTIMENT

**In the August 1980 survey, the Index of Consumer Sentiment was 67.3, up 5 Index-points above the month earlier reading, and 15.6 Index-points above three months earlier, when the record low of 51.7 was recorded. During the past three months, improvements in sentiment have been led by improved business expectations (mainly due to lower unemployment and inflation expectations) and more favorable attitudes toward market conditions (due to the easing of credit restrictions). The August 1980 survey marked the third consecutive monthly improvement, and brings consumer sentiment to a higher level than at any time recorded during the past year.

**Although evaluations about current and expected economic conditions each improved during the past three months, the expectations subcomponent of the Index of Consumer Sentiment by August 1980 stood significantly above the year earlier reading (59.6 versus 49.3), while the current evaluation subcomponent remained significantly below year earlier readings (79.4 versus 88.2). This pattern of change in attitudes and expectations, typical of transition periods, underlines the very early stage of the recovery represented by the recent improvement in sentiment.

**Among families with incomes of $20,000 and over, the Index value in the August 1980 survey was 70.9, up 3.3 Index-points from July, and up 15.7 Index-points from May 1980. Although widespread across all major population groups, the improvement in consumer sentiment was somewhat smaller during the past 3 months among residents of the Northeast, and somewhat greater among residents of the Southern region. Respondents under age 35 recorded a smaller improvement during the past three months than respondents aged 55 and older.

**In comparison with year earlier readings, respondents in the August 1980 survey less frequently expected unemployment to increase (40 versus 62 percent), less frequently expected interest rates to increase (39 versus 61 percent), and expected the rate of inflation to be lower (8% versus 10.4%).

**Attitudes toward buying conditions for household durables, vehicles, and houses each significantly improved during the past three months The largest improvements were in attitudes toward buying conditions for houses, followed by vehicles, and household durables, reflecting the relative importance of improved credit conditions for these markets.

* * *

The August survey recorded the third consecutive monthly improvement in consumer sentiment. Although the increase has been sizable, the recovery in consumer sentiment is not yet firmly established. Consumer's evaluations still remain on balance unfavorable, and the greater volatility in attitude trends in recent years increases the likelihood that the recovery path will be marked by temporary reversals. Much greater improvement in sentiment must be recorded before sustained growth in consumer sales can be expected. Nonetheless, the recent improvement does signal that discretionary consumer expenditures will show some renewed strength in late 1980.

Monitoring Economic Change Program
Institute for Social Research • P.O. Box 1248 • Ann Arbor, Michigan 48106 • (313) 763-5224

Personal Finances

In the August 1980 survey, 33 percent of all families stated they were better off financially than a year earlier, up from 26 percent in May 1980. The proportion of families who reported being worse off financially declined during the past three months from 47 to 40 percent in August 1980. Despite this modest improvement in the August 1980 survey, families more frequently reported being worse off rather than better off financially, as they have throughout the past year.

In August 1980, 30 percent of all families expected to be better off financially in a year, up from 27 percent in May 1980, while just 19 percent expected to be worse off financially in the year ahead, down from 27 percent in May 1980. The near majority (48 percent) expected their financial situation to remain unchanged in the year ahead in August 1980.

Nominal income changes expected during the next 12 months in the August 1980 survey were unchanged from year earlier readings. Among all families, 26 percent expected family income to increase by 10% or more during the year ahead, largely unchanged from the 25 percent recorded in August 1979. Approximately one-in-three families in both August 1979 and August 1980 expected their nominal family income to remain unchanged or decline during the year ahead.

Expected Business Conditions: Better But Still Unfavorable

When asked whether they had heard of any recent changes in business conditions, significantly fewer respondents mentioned unfavorable news items in the August 1980 survey than in prior months. Reports of unemployment fell to 31 percent in August, down from 43 percent in July, and 50 percent in June 1980. Mentions of high interest rates and tight credit conditions fell to just 5 percent in August, from 24 percent in April 1980.

Although more than three-in-four respondents still rate current business conditions as worse than those of a year earlier, the decline in unfavorable evaluations during the past three months has been significant, falling from 90 percent in May to 77 percent in August 1980. Good times financially in the economy as a whole during the next 12 months were expected by 25 percent of all families in August 1980, up from 13 percent in May 1980, and 17 percent in August 1979. Bad times financially in the economy as a whole were expected by 62 percent in August, down from the record 82 percent in May 1980, and below the 71 percent recorded in August 1979.

Future changes expected in business conditions have grown more favorable during the past year. In August 1980, 28 percent of all respondents expected business conditions to improve in the year ahead, up from 21 percent in May 1980, and 13 percent in August 1979. Unfavorable business expectations were held by 23 percent in August 1980, below the 39 percent recorded in both May 1980 and August 1979. When asked why they felt business conditions would change in the year ahead, respondents somewhat more frequently mentioned government economic policy and the upcoming elections in August 1980 (14 percent) than in August 1979 (6 percent), and somewhat less frequently mentioned inflation in August 1980 (14 percent) than in August 1979 (24 percent).

In the August 1980 survey, consumers expected price increases to average 8.0% during the next 12 months, down from 9.0% in July 1980, and nearly identical with the 8.2% recorded in May 1980. Interestingly, the average expected rate of inflation did not significantly change during the past three months because of offsetting shifts at the extremes. The proportion of respondents who expected prices to remain the same or decline during the year ahead fell from 31 percent in May to 18 percent in August 1980, while the proportion who expected price increases to average 15% or more also fell from 18 to 10 percent, indicating less variation in expectations.

Unemployment was expected to increase during the year ahead by 40 percent of all respondents in the August 1980 survey, down significantly from the 59 percent recorded in July, and 72 percent recorded in May 1980. The favorable impact of this improvement in unemployment expectations is limited, since significantly more households expect unemployment to remain unchanged at the current high levels (38 percent) than to decline (19 percent) in the year ahead.

Interest rates were expected to increase in the year ahead by 39 percent of all consumers in August 1980, up from 21 percent in July and 26 percent in May 1980. The proportion of respondents who expect interest rate declines fell to 26 percent in August 1980 from 44 percent in July, and 52 percent in May 1980.

Buying Conditions Improve

Attitudes toward buying conditions for houses improved substantially during the past three months. The proportion of all families with favorable attitudes more than doubled from just 18 percent in May 1980 to 44 percent in August 1980. During the same three months, unfavorable evaluations of buying conditions for houses declined from 74 to 50 percent. The major reason for this large improvement can be traced to changes in interest rates and credit availability. When asked to explain their views on house buying conditions, respondents more frequently mentioned low interest rates and available credit in August 1980 (28 percent) than in May 1980 (6 percent), and significantly fewer consumers mentioned high interest rates and tight credit conditions in August (41 percent) than in May 1980 (75 percent).

Attitudes toward buying conditions for automobiles showed improvement, with 42 percent of all families in August 1980 rating conditions favorably, up from 29 percent in May 1980. The proportion who felt buying conditions were unfavorable fell from 61 percent in May to 46 percent in August 1980. This improvement was largely due to fewer complaints of high interest rates and tight credit conditions, falling from 29 percent in May 1980 to 11 percent in August 1980. In addition, fewer families expressed concern over the price or availability of gasoline.

Favorable buying attitudes toward household durables were held by 47 percent of all families in August 1980, up from 44 percent in July and 35 percent in May 1980; unfavorable evaluations fell to 38 percent in August from 40 percent in July and 58 percent in May 1980. This improvement was due in part to significantly fewer mentions of high interest rates and tight credit conditions when evaluating durable buying conditions in August (16 percent) than in May 1980 (31 percent). In addition, fewer respondents mentioned high prices making conditions unfavorable, and somewhat more frequently mentioned the availability of good buys at low prices.

* * *

The August 1980 survey was conducted between July 21 and August 24, 1980 and included 658 completed interviews.

SURVEYS OF CONSUME

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TABLES AND CHARTS

SEPTEMBER 1980

SURVEY RESEARCH CENTER
UNIVERSITY OF MICHIGAN

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TABLES AND CHARTS

SEPTEMBER 1980

The September 1980 survey is the 122nd. in a series of survey of consumer attitudes conducted during the last 30 years. The purpose of these surveys is to measure changes in consumer attitudes and expectations, and to increase understanding of why these changes occur and how they affect consumer decisions to make discretionary purchases or to save. This type of understanding is an essential ingredient for forecasting changes in aggregate consumer behavior.

Two charts are presented for most questions. One gives quarterly results from 1955 to the last quarterly observation. A second chart shows monthly results since January of 1978, when this series was instituted, along with a simple three month moving average, plotted on the last of the three months.

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CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

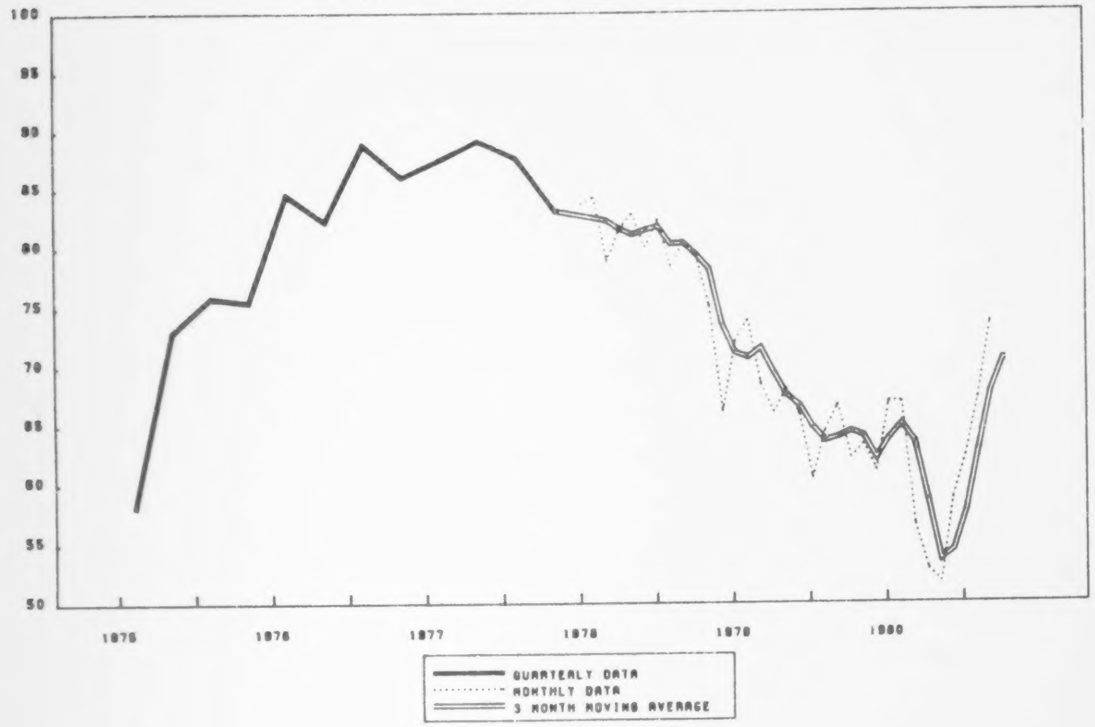

CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT

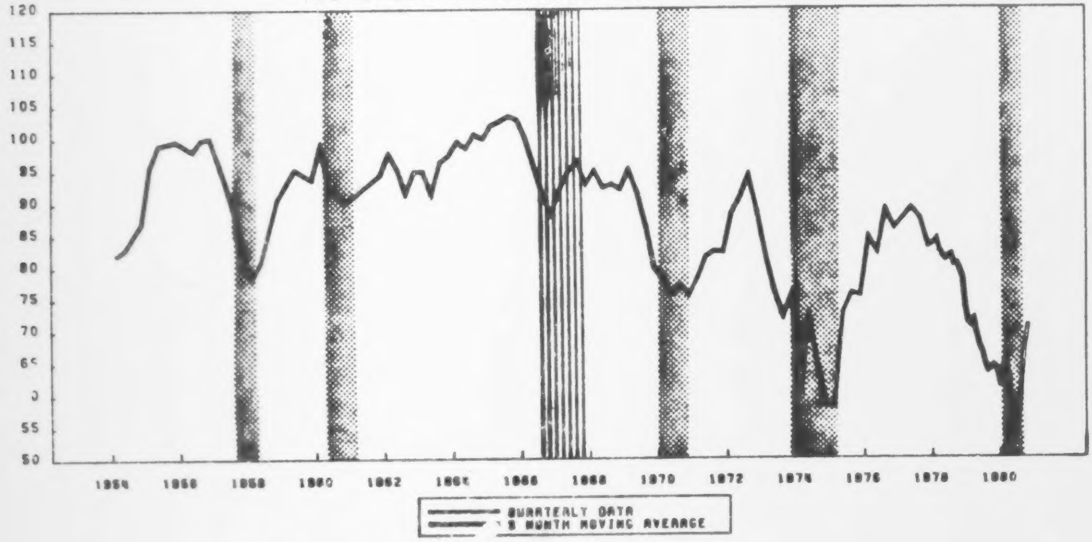

TABLE 1

THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY		All families	Families with incomes over $20,000	Families with incomes over $25,000
November	1977	83.1	94.0	95.5
January	1978	83.7	95.6	94.7
February	1978	84.3	98.0	100.1
March	1978	78.8	87.5	93.8
April	1978	81.6	94.5	92.9
May	1978	82.9	87.1	90.0
June	1978	80.0	92.7	94.6
July	1978	82.4	91.7	92.4
August	1978	78.4	85.1	85.4
September	1978	80.4	87.2	87.2
October	1978	79.3	88.1	89.1
November	1978	75.0	81.0	83.0
December	1978	66.1	73.8	76.8
January	1979	72.1	83.7	84.8
February	1979	73.9	84.3	86.6
March	1979	68.4	75.3	73.6
April	1979	66.0	73.7	77.0
May	1979	68.1	73.5	76.7
June	1979	65.8	71.8	72.9
July	1979	60.4	67.2	68.0
August	1979	64.5	70.0	71.3
September	1979	66.7	71.6	74.4
October	1979	62.1	65.6	65.5
November	1979	63.3	68.3	69.9
December	1979	61.0	66.2	73.2
January	1980	67.0	70.8	70.9
February	1980	66.9	70.8	73.5
March	1980	56.5	62.3	64.5
April	1980	52.7	54.2	57.2
May	1980	51.7	55.2	53.3
June	1980	58.7	61.6	63.7
July	1980	62.3	67.6	67.3
August	1980	67.3	70.9	74.2
September	1980	73.7	75.1	72.3

CHART 2

INDEX OF CONSUMER SENTIMENT WITHIN REGION SUBGROUPS

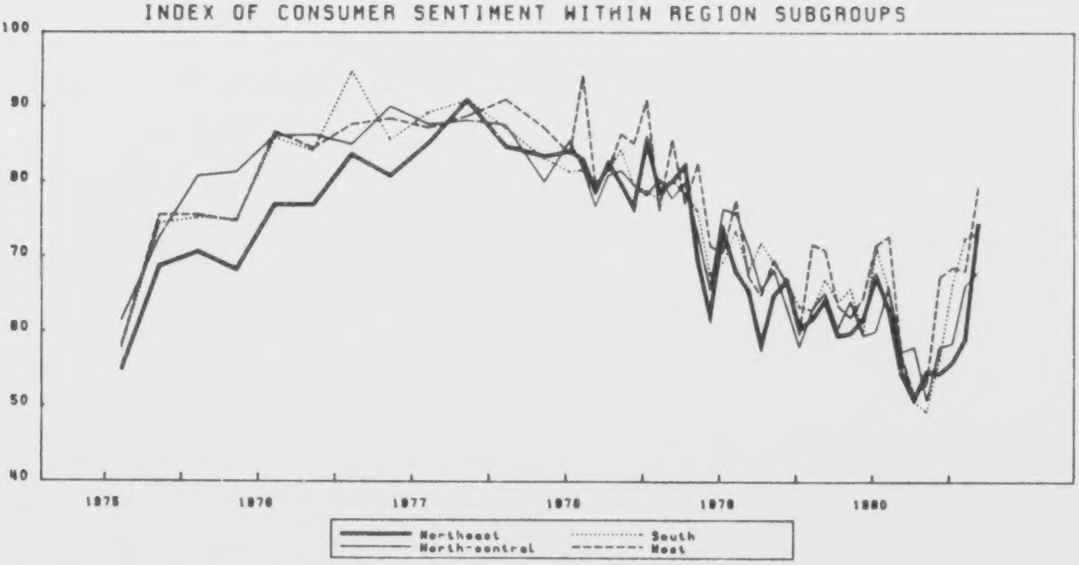

TABLE 2

INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS

DATE OF SURVEY		CENSUS REGION				AGE OF RESPONDENT		
		North East	North Central	South	West	18-34	35-54	55+
November	1977	83.4	80.0	83.1	87.2	96.3	83.5	73.8
January	1978	84.1	85.5	81.3	83.7	93.7	86.7	75.0
February	1978	83.0	81.9	81.6	94.2	99.7	82.3	77.1
March	1978	78.7	76.7	79.7	79.6	91.7	76.8	68.8
April	1978	82.5	80.9	81.6	81.6	91.8	79.7	74.0
May	1978	79.7	81.5	84.3	86.4	95.1	78.9	74.5
June	1978	76.5	79.6	79.5	85.1	91.7	75.7	72.4
July	1978	85.4	78.2	78.8	91.0	92.2	78.4	77.4
August	1978	78.7	80.4	77.6	76.2	87.8	77.2	69.8
September	1978	80.1	77.8	80.3	85.6	86.6	83.9	72.1
October	1978	82.2	79.9	78.4	77.1	90.6	76.7	70.8
November	1978	69.6	73.1	76.1	82.4	82.5	73.3	69.0
December	1978	62.1	65.6	67.5	71.4	71.7	63.9	63.6
January	1979	73.5	76.4	69.3	70.6	82.7	70.6	63.2
February	1979	68.0	75.8	73.5	77.5	80.9	74.6	67.7
March	1979	65.5	71.3	68.0	67.4	77.9	64.7	63.3
April	1979	58.1	65.6	71.9	64.8	71.5	66.4	61.8
May	1979	64.9	68.2	69.1	69.6	74.6	65.3	64.1
June	1979	66.8	63.3	66.8	66.3	71.2	62.9	63.9
July	1979	60.4	58.0	63.3	59.7	67.7	60.9	54.1
August	1979	61.7	63.0	62.9	71.7	72.1	64.0	58.2
September	1979	64.1	65.2	67.0	70.9	71.5	66.8	63.2
October	1979	59.5	60.4	64.0	63.5	69.5	58.3	60.1
November	1979	59.8	64.1	65.8	61.9	70.8	60.7	57.3
December	1979	61.7	59.5	59.7	64.6	68.1	57.1	59.3
January	1980	67.4	60.1	71.3	71.6	75.5	63.1	61.6
February	1980	63.0	65.9	65.7	72.8	74.3	65.7	60.5
March	1980	54.4	57.3	56.7	56.9	61.4	56.2	50.7
April	1980	50.9	58.0	50.7	51.5	60.5	43.6	51.8
May	1980	54.6	50.8	49.3	53.0	62.8	46.6	43.4
June	1980	54.4	58.0	56.4	67.3	65.9	53.5	58.1
July	1980	55.9	58.5	66.4	68.6	69.9	58.1	58.8
August	1980	59.0	66.2	72.6	68.1	72.0	64.8	66.0
September	1980	74.3	68.0	73.2	79.3	77.2	74.0	67.6

CHART 3 - HISTORICAL SERIES
CURRENT AND EXPECTED COMPONENTS

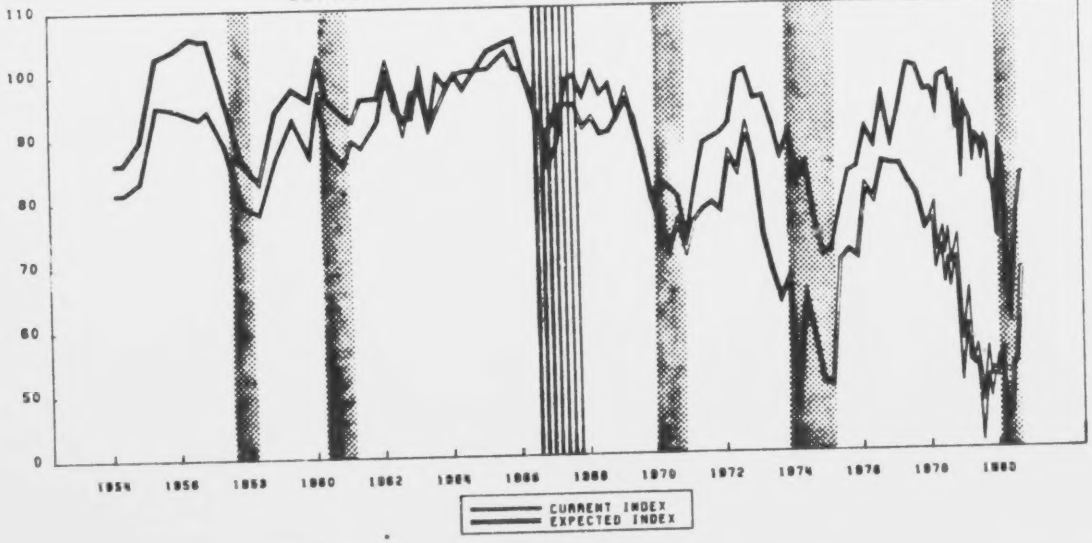

TABLE 3

COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT

	INDEX COMPONENTS +						
	Personal finances		Business conditions		Buying conds.	Current Index	Expected Index
	Current	Expected	12 months	5 years			
DATE OF SURVEY	(1)	(2)	(3)	(4)	(5)	(1,5)	(2,3,4)
November 1977	107	107	104	85	139	96.0	74.7
January 1978	105	114	106	80	142	96.2	75.7
February 1978	106	109	108	89	139	95.4	77.2
March 1978	100	107	91	76	140	93.2	69.5
April 1978	104	112	99	71	148	98.0	71.1
May 1978	105	111	99	79	147	98.2	73.0
June 1978	107	102	97	71	146	98.4	68.1
July 1978	108	111	105	69	146	98.7	72.0
August 1978	101	112	82	70	145	96.1	67.0
September 1978	109	109	96	71	140	96.9	69.8
October 1978	96	104	103	77	138	91.2	71.7
November 1978	106	106	74	67	135	94.1	62.8
December 1978	95	96	61	53	123	85.2	53.8
January 1979	101	99	72	58	139	93.3	58.4
February 1979	98	98	75	71	138	92.2	62.2
March 1979	96	99	57	53	138	91.2	53.7
April 1979	85	90	63	55	134	85.9	53.3
May 1979	91	95	58	62	136	88.7	54.9
June 1979	92	91	54	55	134	88.2	51.4
July 1979	90	92	39	40	130	85.7	44.2
August 1979	95	98	46	48	131	88.2	49.3
September 1979	90	98	60	51	133	87.1	53.6
October 1979	83	96	48	49	126	81.6	49.5
November 1979	86	97	52	54	120	80.9	52.0
December 1979	83	101	50	50	110	75.8	51.5
January 1980	96	106	58	47	127	87.1	54.1
February 1980	85	99	55	60	134	85.5	54.9
March 1980	76	92	38	41	116	75.3	44.3
April 1980	73	94	32	45	94	65.8	44.4
May 1980	79	100	31	44	77	61.7	45.3
June 1980	78	101	43	63	93	67.4	53.0
July 1980	90	105	45	58	104	76.1	53.4
August 1980	93	111	63	60	109	79.4	59.6
September 1980	91	117	83	69	121	82.7	67.9

(1) : See Table 4.
(2) : See Table 6.
(3) : See Table 18.
(4) : See Table 19.
(5) : See Table 26.

+ : Percent saying "GOOD TIMES" (or "BETTER"), minus percent saying "BAD TIMES" (or "WORSE"), plus 100.

CHART 4 - RECENT CHANGES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

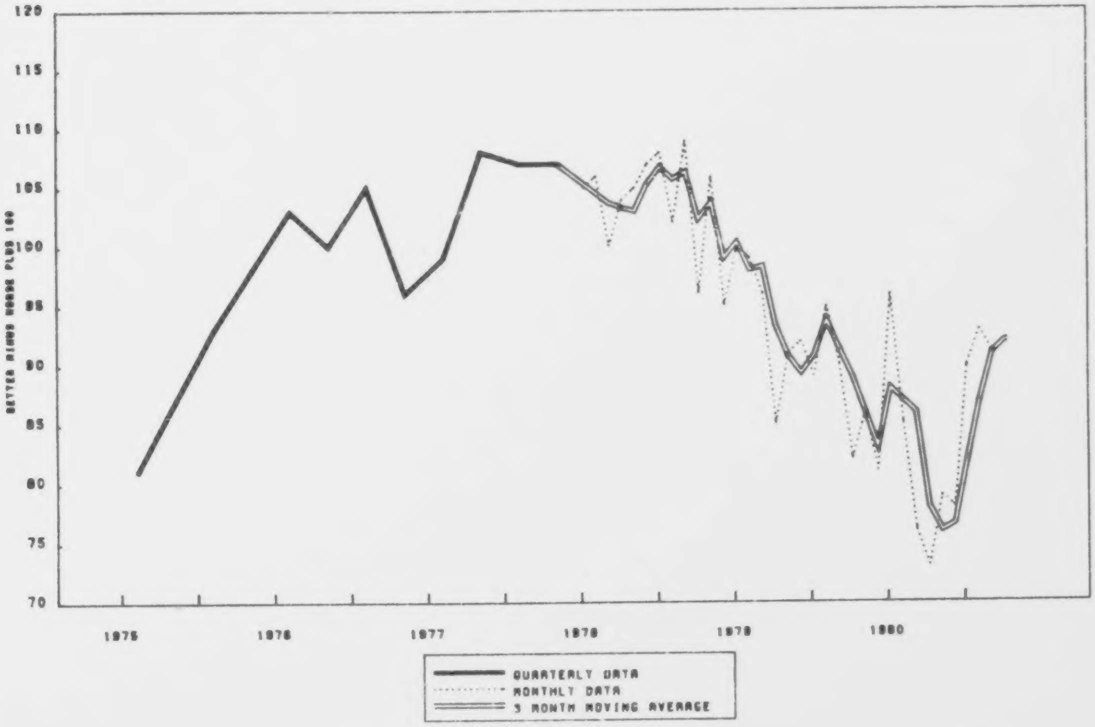

CHART 4 - HISTORICAL SERIES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

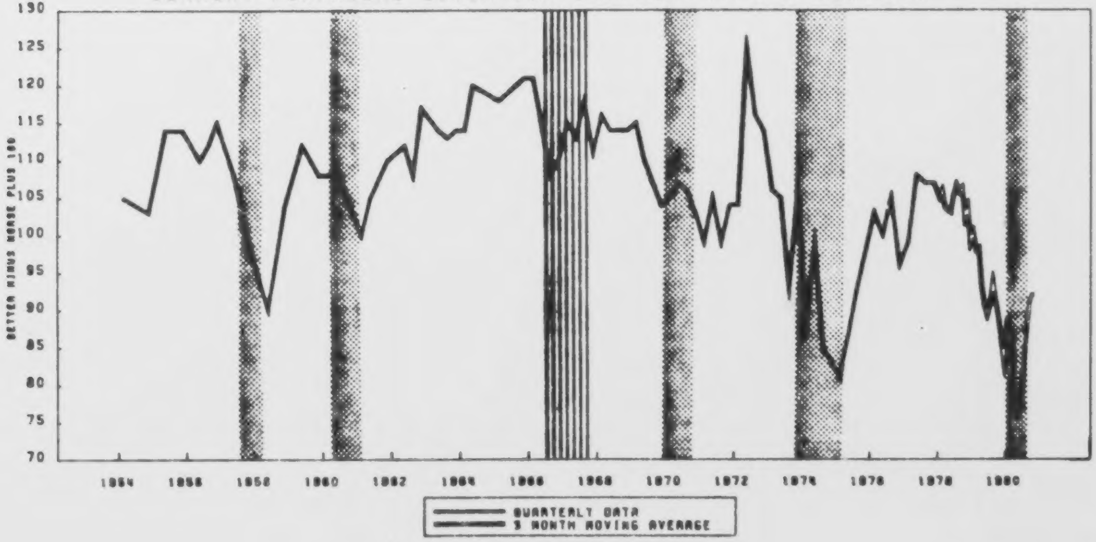

TABLE 4

CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980
BETTER OFF	31%	28%	30%	28%	34%	30%	24%	24%	26%	25%	30%	33%	31%
SAME	28	26	25	26	28	25	28	25	26	26	29	26	27
WORSE OFF	41	45	44	45	38	45	48	51	47	47	40	40	40
DK,NA	*	1	1	1	*	*	*	*	1	2	1	1	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	946	1167	1327	850	769	1019	707	719	703	688	668	658	682

The question was: "We are interested in how people are getting along financially these days. Would you say that you (and your family living there) are better off or worse off financially than you were a year ago?"

* : Less than half of one percent.

CHART 5 - RECENT CHANGES

REASONS FOR FINANCIAL SITUATION COMPARED TO A YEAR AGO

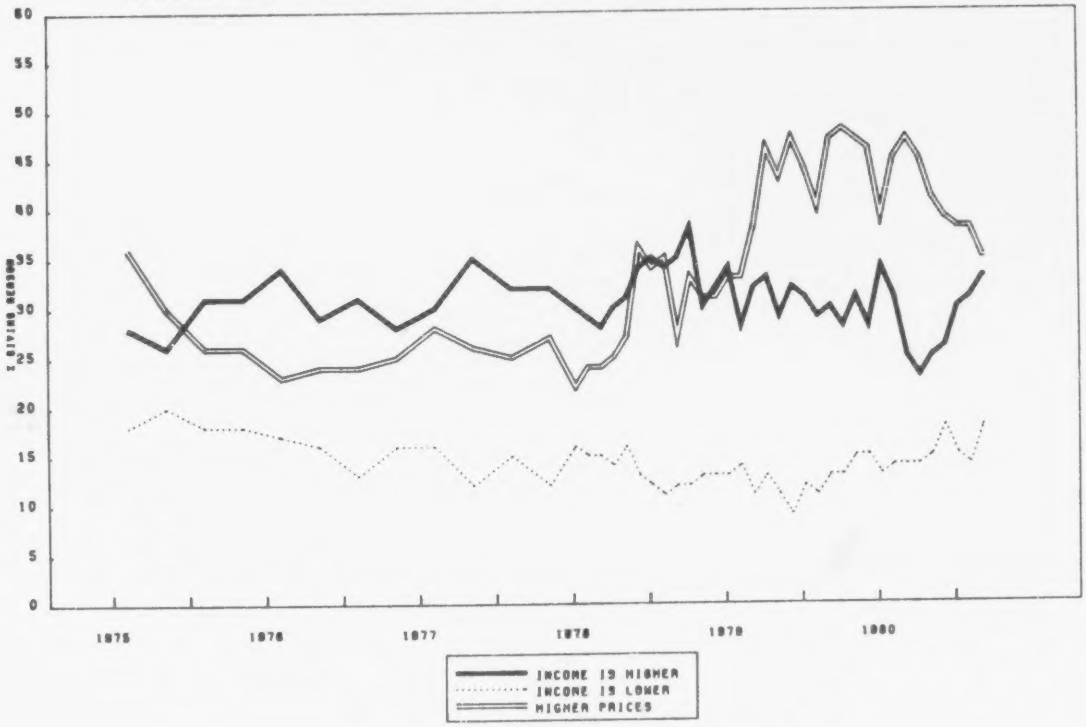

TABLE 5

SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION +

	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980
BETTER OFF THAN YEAR AGO:													
Income is higher	30%	28%	31%	27%	34%	31%	25%	23%	25%	26%	30%	31%	33%
WORSE OFF THAN YEAR AGO:													
Income is lower	13	13	15	14	13	14	14	14	15	18	15	14	16
Higher prices	47	48	47	44	39	45	47	45	41	39	38	38	35

Responses to the query: "Why do you say so?" following the question on Table 4.

+ : May add to more than 100% due to multiple mentions.

CHART 6 - RECENT CHANGES
EXPECTED CHANGE IN FINANCIAL SITUATION

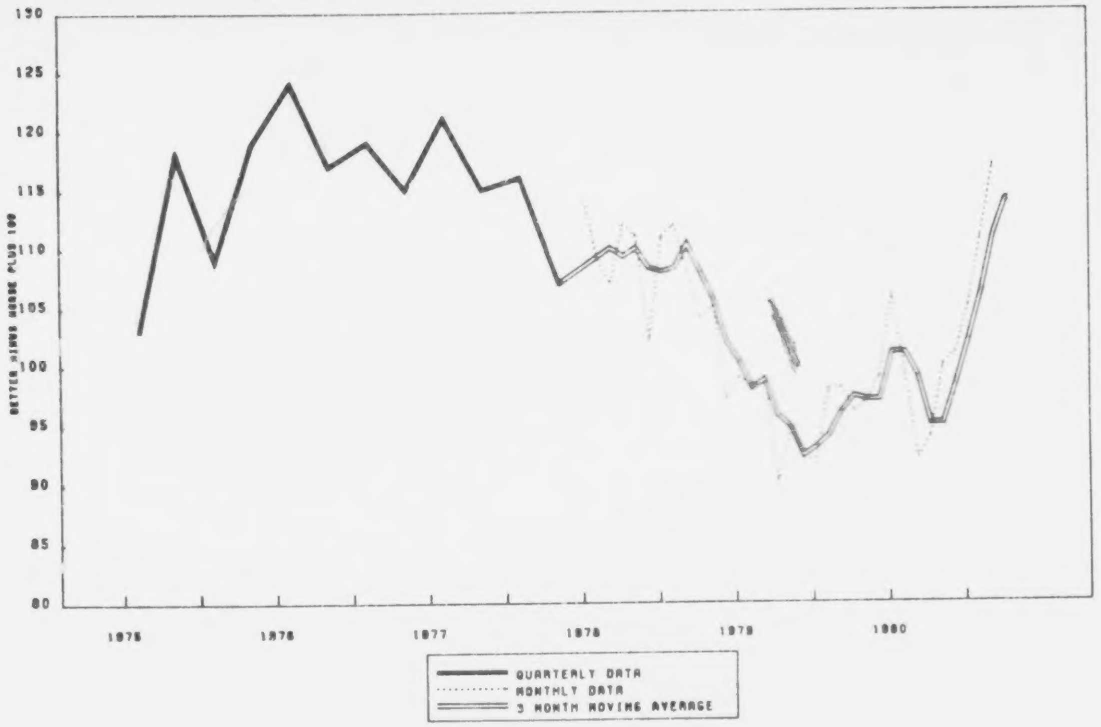

CHART 6 - HISTORICAL SERIES
EXPECTED CHANGE IN FINANCIAL SITUATION

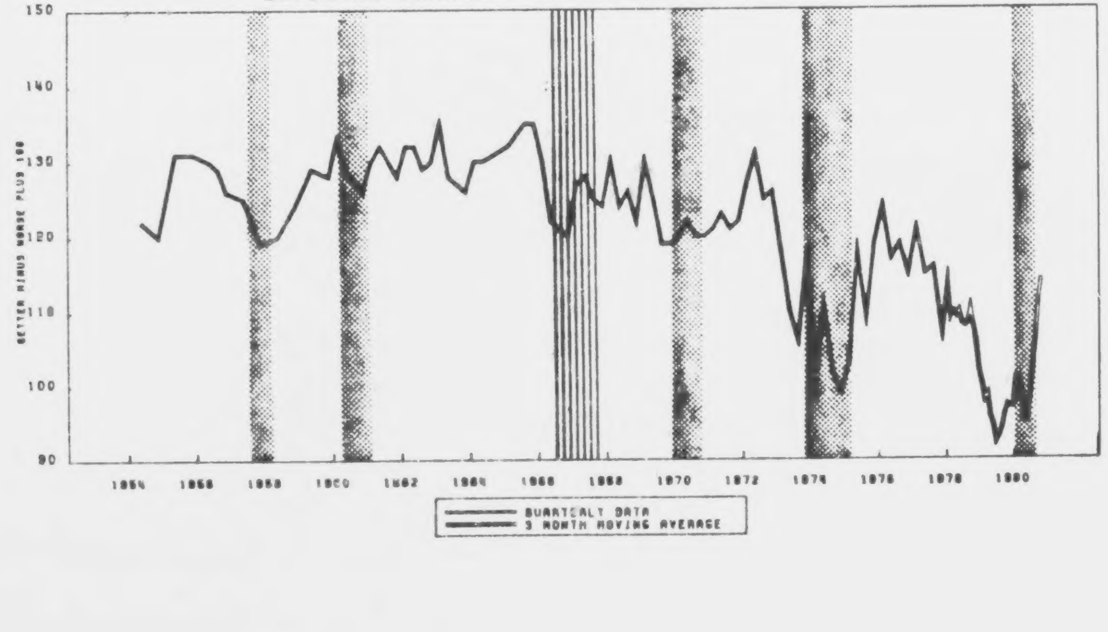

TABLE 6

EXPECTED CHANGE IN FINANCIAL SITUATION

	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980
BETTER OFF	24%	24%	21%	26%	28%	25%	20%	25%	27%	26%	26%	30%	34%
SAME	47	45	53	45	46	45	47	42	43	46	48	48	45
WORSE OFF	26	28	24	25	22	26	28	31	27	25	21	19	17
DK,NA	3	3	2	4	4	4	5	2	3	3	5	3	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	946	1167	1327	850	769	1019	707	719	703	688	668	658	682

The question was: "Now looking ahead--do you think that a year from now you (and your family living there) will be better off financially, or worse off, or just about the same as now?"

CHART 7 - RECENT CHANGES
TREND IN PERSONAL FINANCIAL SITUATION

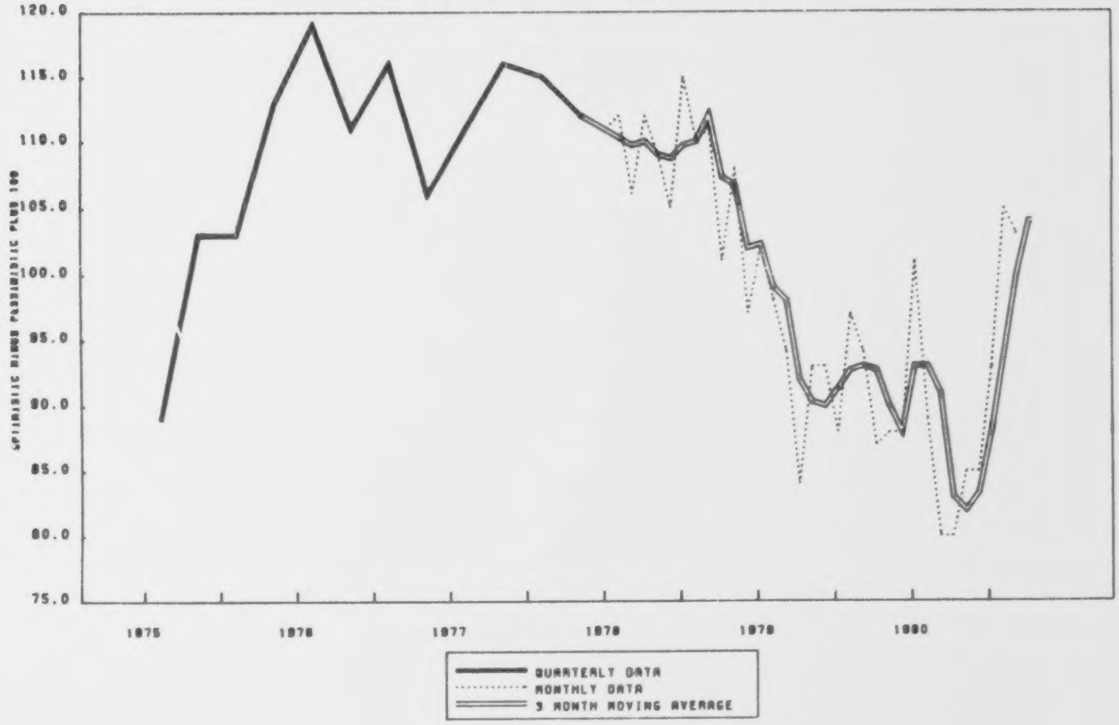

CHART 7 - HISTORICAL SERIES
TREND IN PERSONAL FINANCIAL SITUATION

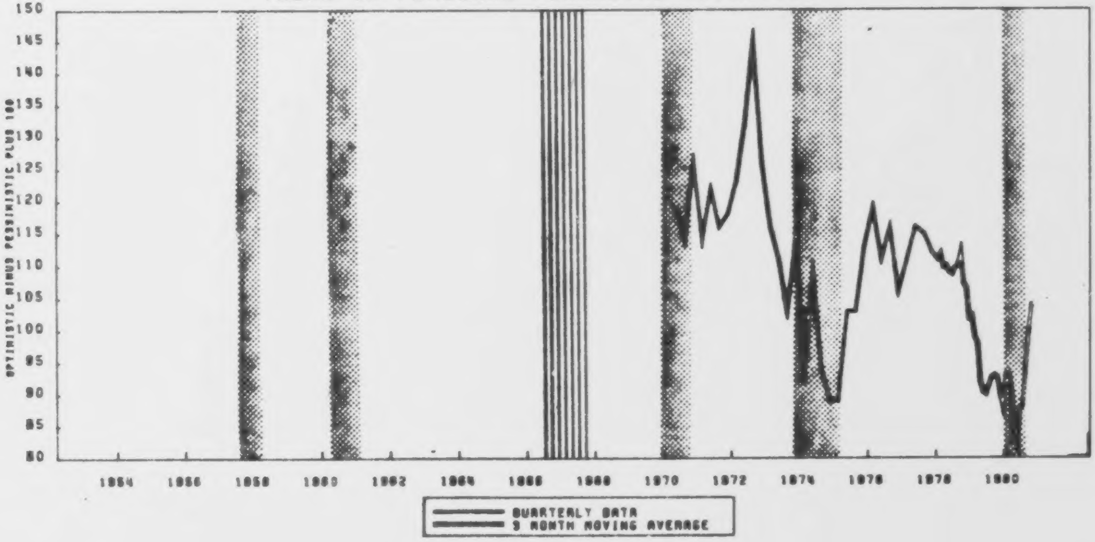

TABLE 7

TREND IN PERSONAL FINANCIAL SITUATION

	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980
PERSONAL FINANCIAL PROGRESS:													
Continuous increase (a)	11%	11%	11%	12%	15%	13%	7%	8%	11%	10%	12%	12%	14%
Intermittant increase (b)	20	18	19	18	21	19	16	16	17	16	19	22	19
Remain unchanged (c)	16	14	16	14	16	12	15	14	12	14	14	16	15
Intermittant decline (d)	21	23	25	23	20	25	27	23	27	27	28	17	21
Continuous decline (e)	16	19	16	18	14	18	17	21	16	14	10	12	9
Mixed change (f)	13	12	10	11	10	10	13	16	14	15	11	18	16
DK,NA	3	3	3	4	4	3	5	2	3	4	6	3	6
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	946	1167	1327	850	769	1019	707	719	703	688	668	658	682

Combination of the responses to the questions on Tables 4 and 6.

Key: (a) Better off financially than a year ago/Better off a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

TABLE 8

EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS

	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980
EXPECT INCREASE:													
1-4%	na	na	5%	na	na	6%	na	5%	6%	5%	5%	6%	7%
5%			8			8		8	7	7	8	10	7
6-9%			14			14		14	12	13	11	15	16
10-24%			19			20		23	24	25	20	20	21
25% or more			6			9		7	6	8	5	6	5
DK how much up			8			7		7	8	8	10	9	10
EXPECT SAME			28			24		25	22	21	21	21	21
EXPECT DOWN			8			10		9	13	12	18	11	10
DK,NA			4			2		2	2	1	2	2	3
TOTAL			100%			100%		100%	100%	100%	100%	100%	100%
CASES			1327			1019		719	703	688	668	658	682

The questions were: "During the next 12 months, do you expect your (family) income to be higher or lower than during the past year?" and "By about what percent do you expect your (family) income to increase during the next 12 months?"

na : Not available.

CHART 9 - RECENT CHANGES
INCOME OR PRICES UP MORE DURING THE LAST YEAR

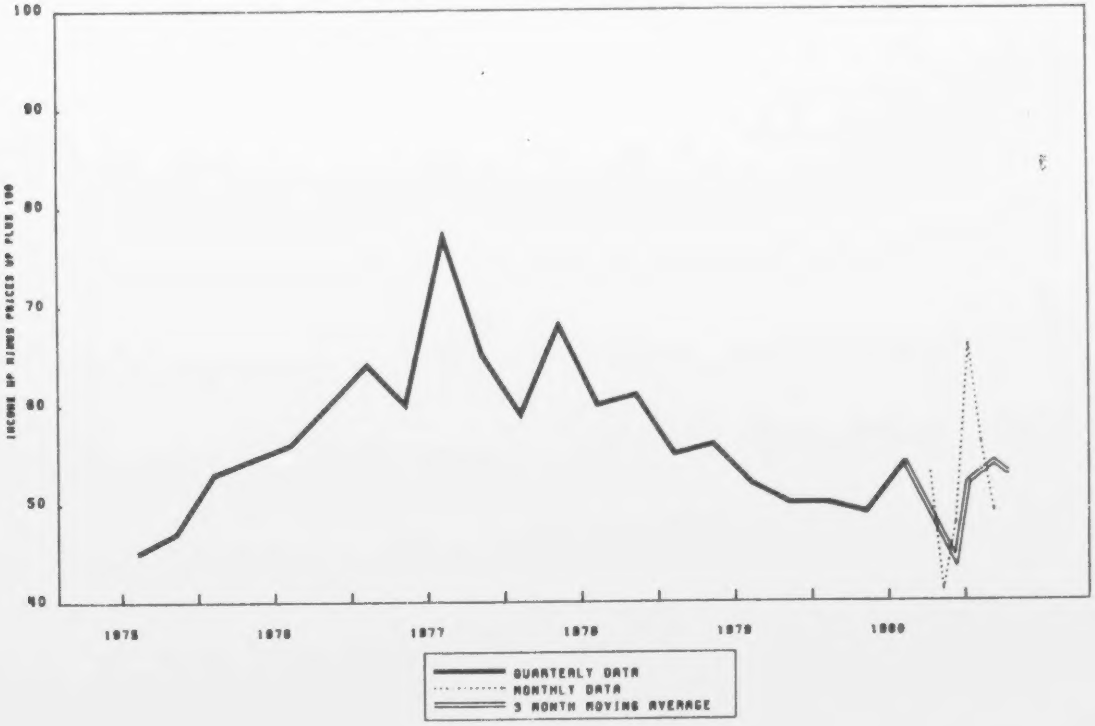

TABLE 9

PAST CHANGE IN REAL FAMILY INCOME

	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980
INCOME UP MORE	na	na	12%	na	na	13%	na	11%	8%	11%	12%	13%	12%
INCOME UP SAME			23			27		22	22	25	30	29	24
PRICES UP MORE			63			59		66	67	63	56	57	63
DK,NA			2			1		1	3	1	2	1	1
TOTAL			100%			100%		100%	100%	100%	100%	100%	100%
CASES			1327			1019		719	703	688	668	658	682

The question was: "During the last year or two, would you say that your (family) income went up more than prices, went up about the same as prices, or went up less than prices?"

na : Not available.

CHART 10 - RECENT CHANGES
INCOME OR PRICES UP MORE NEXT YEAR

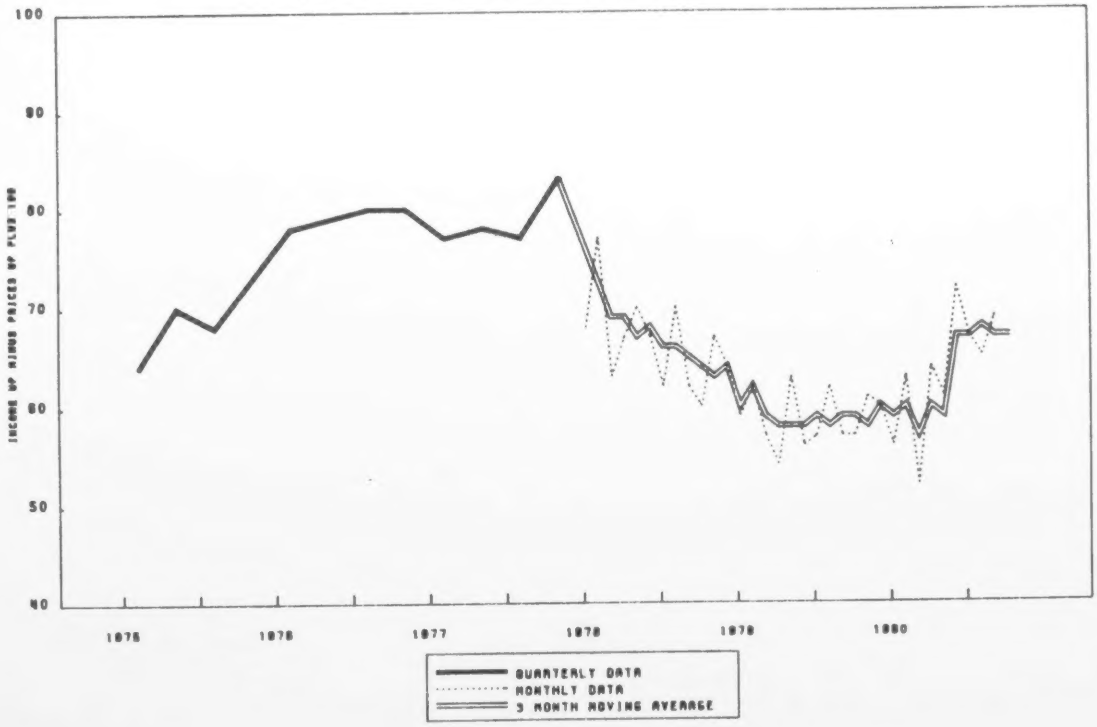

TABLE 10

EXPECTED CHANGE IN REAL FAMILY INCOME

	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980
INCOME UP MORE	10%	9%	10%	11%	8%	14%	8%	12%	12%	14%	12%	11%	14%
INCOME UP SAME	34	35	38	34	36	33	32	37	34	41	38	40	38
PRICES UP MORE	53	52	49	51	52	51	56	48	51	42	45	46	45
DK,NA	3	4	3	4	4	2	4	3	3	3	5	3	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	946	1167	1327	850	769	1019	707	719	703	688	668	658	682

The question was: "How about the next year or two--do you expect that your (family) income will go up more than prices will go up, about the same, or less than prices will go up?"

CHART 11 - RECENT CHANGES
TREND IN INCOME AND PRICE COMPARISON

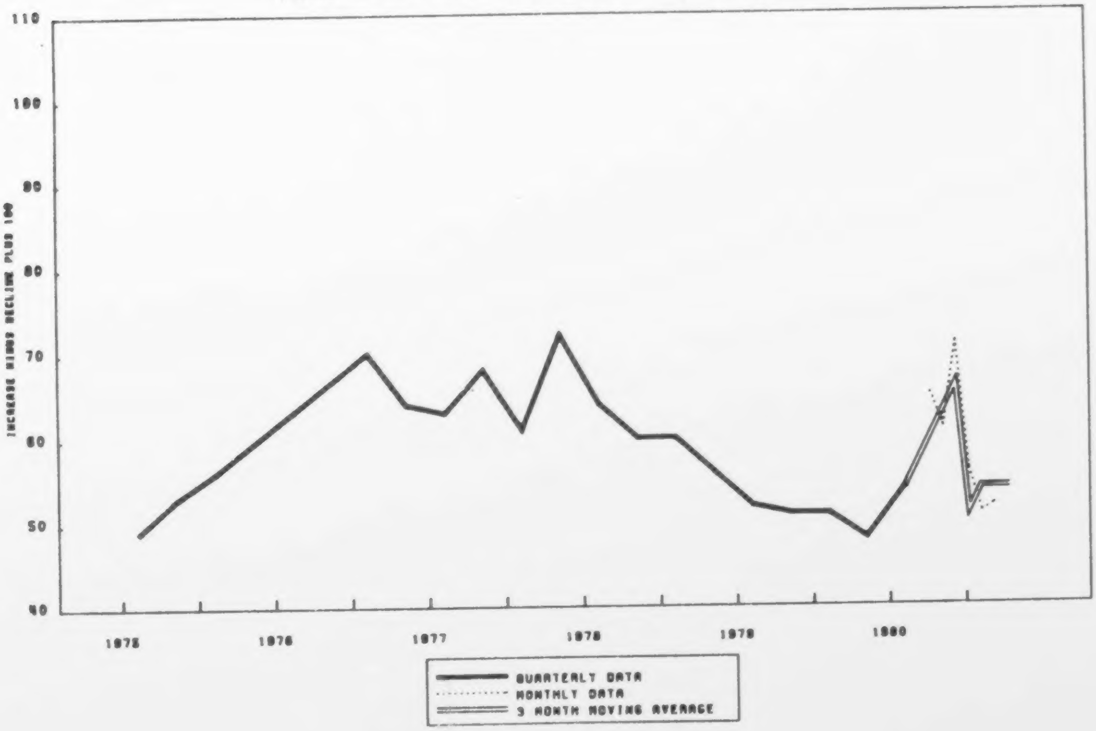

TABLE 11

TREND IN FAMILY INCOME AND PRICES COMPARISONS

	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980
REAL INCOME PROGRESS:													
Continuous increase (a)	na	na	4%	na	na	7%	na	4%	2%	5%	5%	3%	5%
Intermittant increase (b)			8			8		8	9	8	9	11	9
Remain unchanged (c)			14			16		13	11	16	17	17	14
Intermittant decline (d)			22			19		24	22	26	23	22	23
Continuous decline (e)			42			42		41	44	35	35	37	39
Mixed change (f)			6			6		6	6	7	5	6	6
DK,NA			4			2		4	6	3	6	4	4
TOTAL			100%			100%		100%	100%	100%	100%	100%	100%
CASES			1327			1019		719	703	688	668	658	682

Combination of the responses to the questions on Tables 9 and 10.

Key: (a) Income up more last year/Income up more next year
(b) Income up more/Same or Income up same/More
(c) Income up same/Same
(d) Prices up more/Same or Prices up same/More
(e) Prices up more/More
(f) Income up more/Prices up more or Prices up more/Income up more

na : Not available.

CHART 12 - RECENT CHANGES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

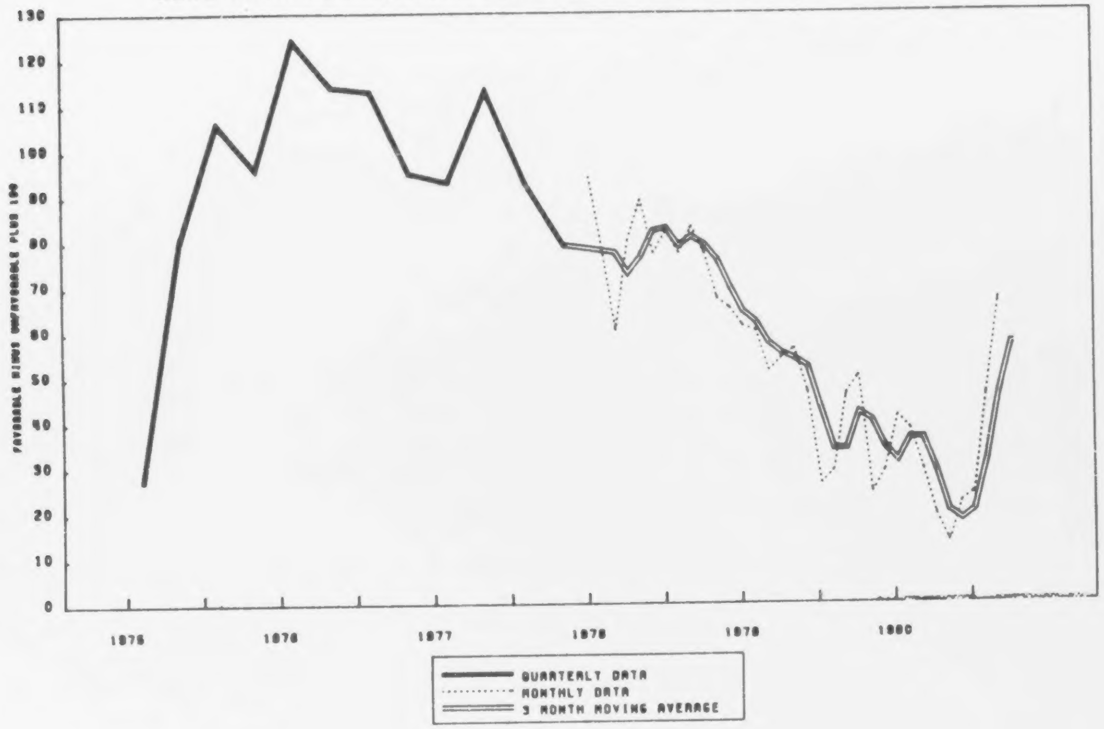

CHART 12 - HISTORICAL SERIES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

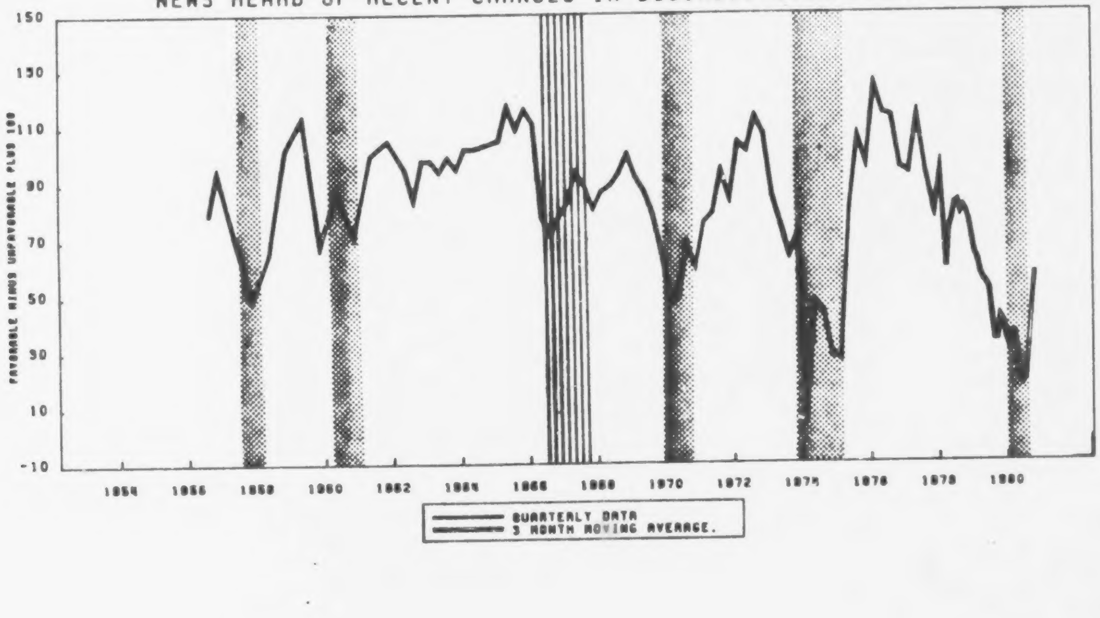

TABLE 12

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980
FAVORABLE NEWS	11%	13%	11%	11%	17%	14%	11%	10%	10%	15%	19%	24%	30%
UNFAVORABLE NEWS	65	63	87	79	76	76	82	91	97	93	95	78	63
NO MENTIONS	47	47	38	41	39	41	41	35	30	29	30	34	36

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

TABLE 13

SELECTED ITEMS OF
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980
FAVORABLE NEWS:													
Government; elections	1%	1%	1%	*	*	1%	1%	1%	*	1%	*	1%	2%
Employment	4	4	3	4	6	5	3	3	1	3	4	7	7
Consumer demand high	1	1	*	1	1	1	1	1	*	1	1	1	3
Prices are low	*	1	1	*	1	1	*	1	1	1	1	*	1
Credit is easy	*	*	*	1	1	1	*	*	5	7	7	8	7
UNFAVORABLE NEWS:													
Government; elections	3	2	3	3	4	3	3	3	4	2	4	3	1
Unemployment	16	15	16	22	18	19	14	21	40	50	43	31	25
Consumer demand low	6	7	6	10	8	10	8	9	10	9	12	12	8
Prices are high	13	13	16	10	16	14	17	17	11	8	12	13	10
Credit is tight	6	9	20	14	7	9	22	24	16	9	5	5	8
Energy crisis	4	3	5	4	4	4	1	1	*	1	1	1	*

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 14 - RECENT CHANGES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

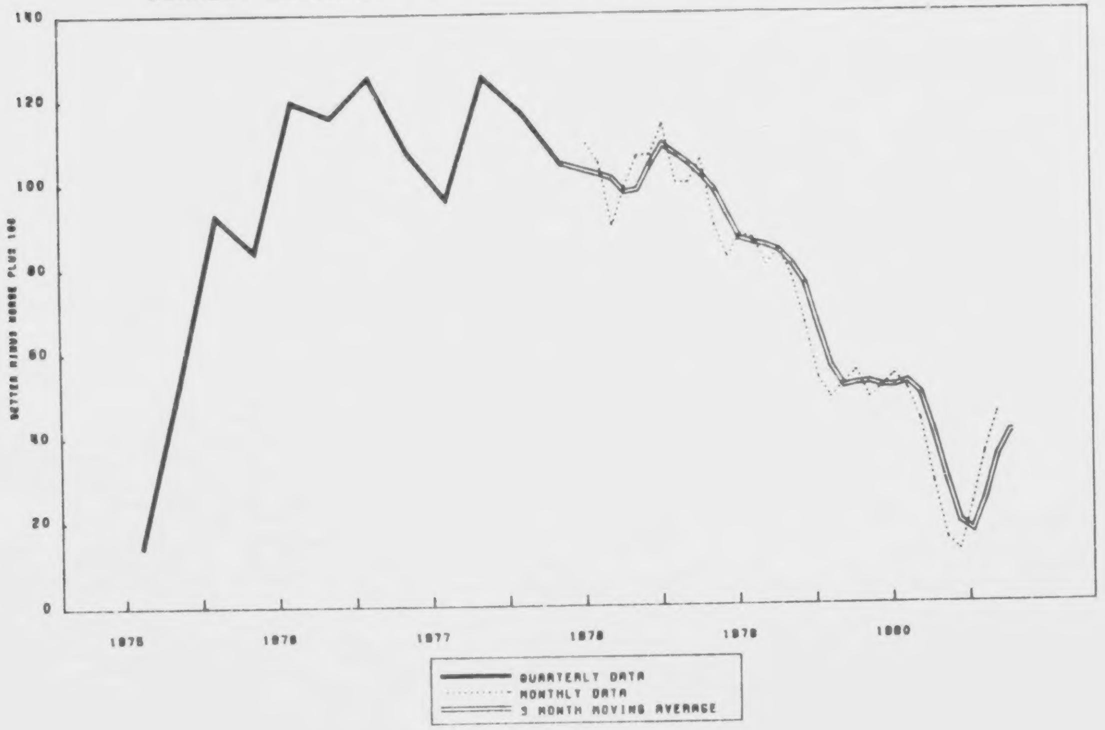

CHART 14 - HISTORICAL SERIES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

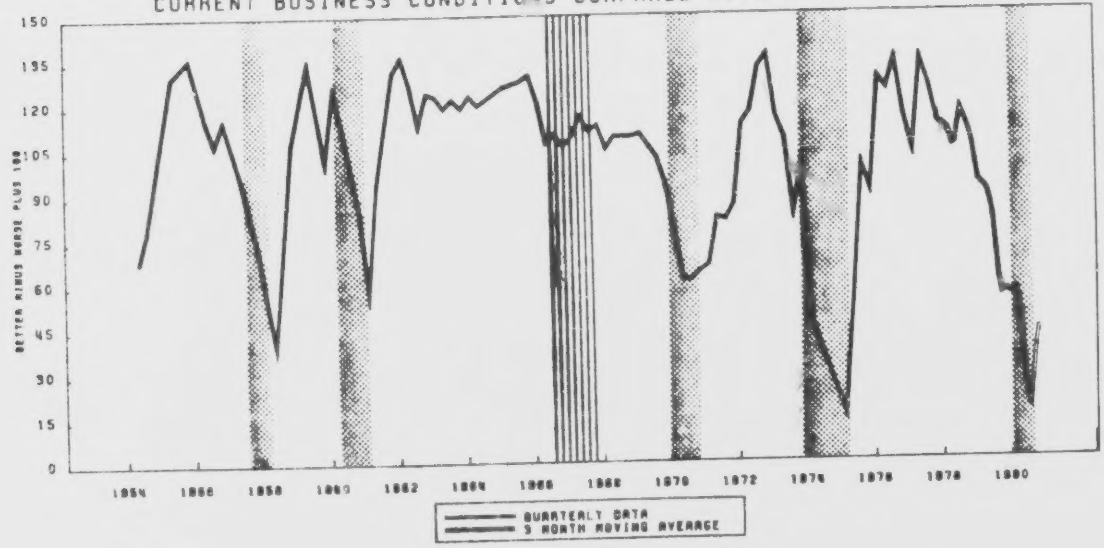

TABLE 14

CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980
BETTER NOW	22%	22%	19%	21%	21%	21%	15%	10%	6%	4%	10%	15%	18%
SAME	9	11	13	12	14	10	12	10	4	5	4	7	10
WORSE NOW	66	63	66	65	62	67	69	79	90	90	85	77	70
DK,NA	3	4	2	2	3	2	4	1	*	1	1	1	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	946	1167	1327	850	769	1019	707	719	703	688	668	658	682

The question was: "Would you say that at the present time business conditions are better or worse than they were a year ago?"

* : Less than half of one percent.

CHART 15 - RECENT CHANGES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

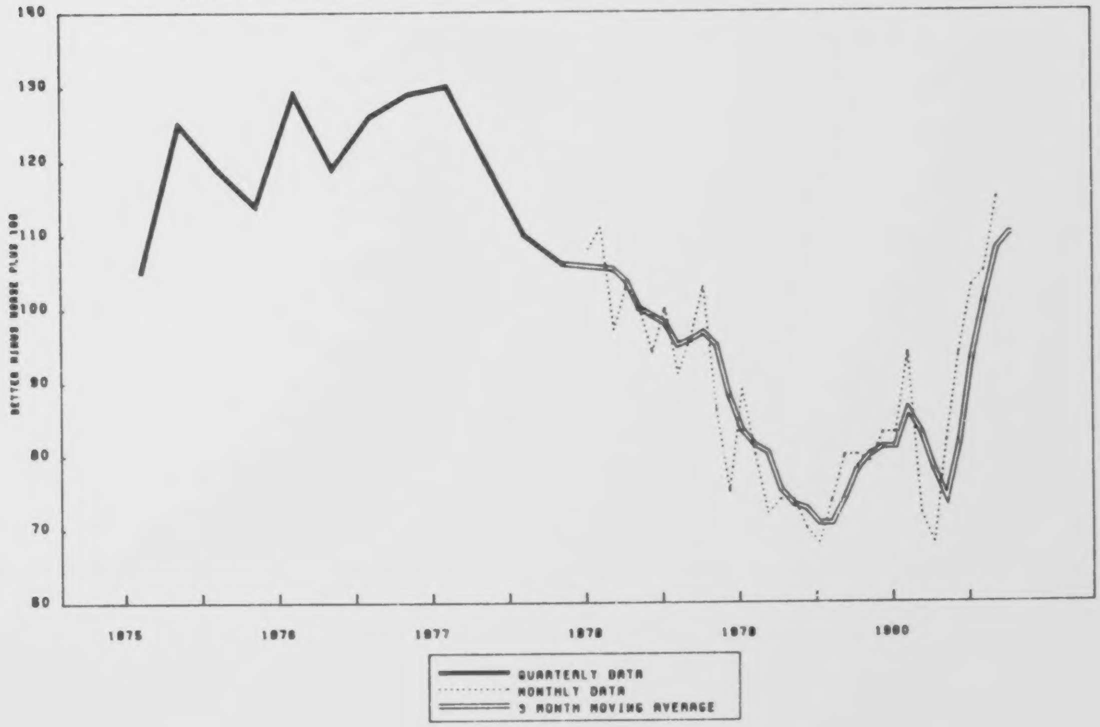

CHART 15 - HISTORICAL SERIES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

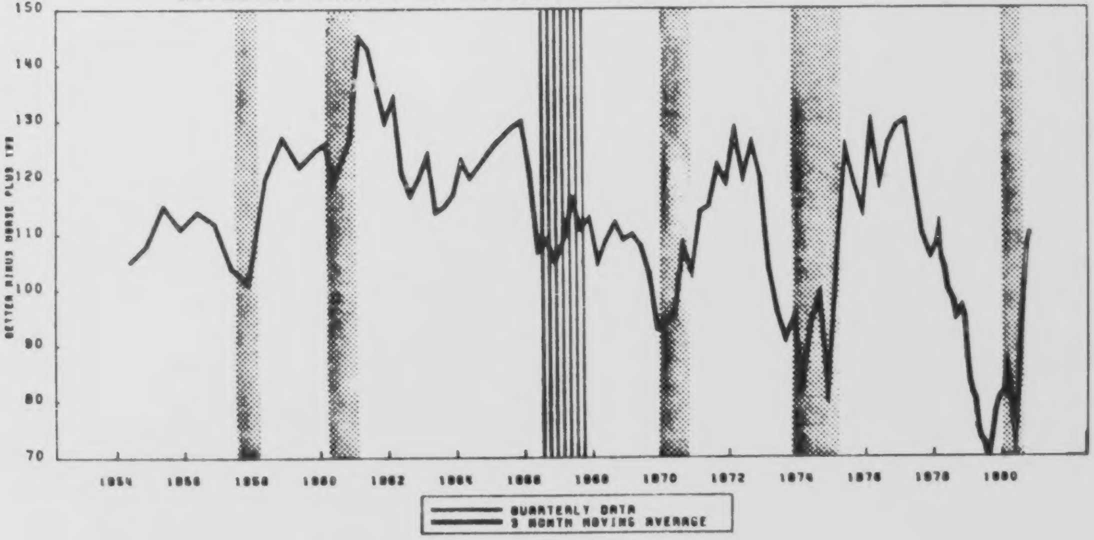

TABLE 15

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980
BETTER	15%	15%	15%	17%	17%	21%	14%	14%	21%	26%	28%	28%	32%
SAME	46	47	47	43	45	49	42	37	37	38	43	44	47
WORSE	35	35	36	36	35	27	42	46	39	32	25	23	17
DK,NA	4	3	2	4	3	3	2	3	3	4	4	5	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	946	1167	1327	850	769	1019	707	719	703	688	668	658	682

The question was: "And how about a year from now, do you expect that in the country as a whole business conditions will be better, or worse than they are at present, or just about the same?"

TABLE 16

REASONS FOR OPINIONS ABOUT CHANGES IN BUSINESS CONDITIONS IN A YEAR

	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980
FAVORABLE REASONS:													
Government; elections	na	na	9%	na	na	11%	na	8%	11%	10%	15%	14%	15%
Employment			2			4		2	2	3	4	4	5
Higher consumer demand			2			3		1	3	1	2	3	4
Lower prices			2			1		3	2	3	1	1	3
Easier credit			2			1		1	4	5	2	3	3
UNFAVORABLE REASONS:													
Government; elections			8			13		15	7	7	12	7	7
Unemployment			9			5		11	14	12	10	7	6
Lower ~~Higher~~ consumer demand			7			7		6	5	5	6	7	3
Higher prices			23			16		25	14	10	9	14	10
Tighter credit			7			3		12	6	4	2	2	2
Energy crisis			6			6		3	2	1	1	1	1

The question was: "Why do you expect business conditions to be better/the same/worse a year from now?" following the question on table 15.

+ : May add to more than 100% due to multiple mentions.

na : Not available.

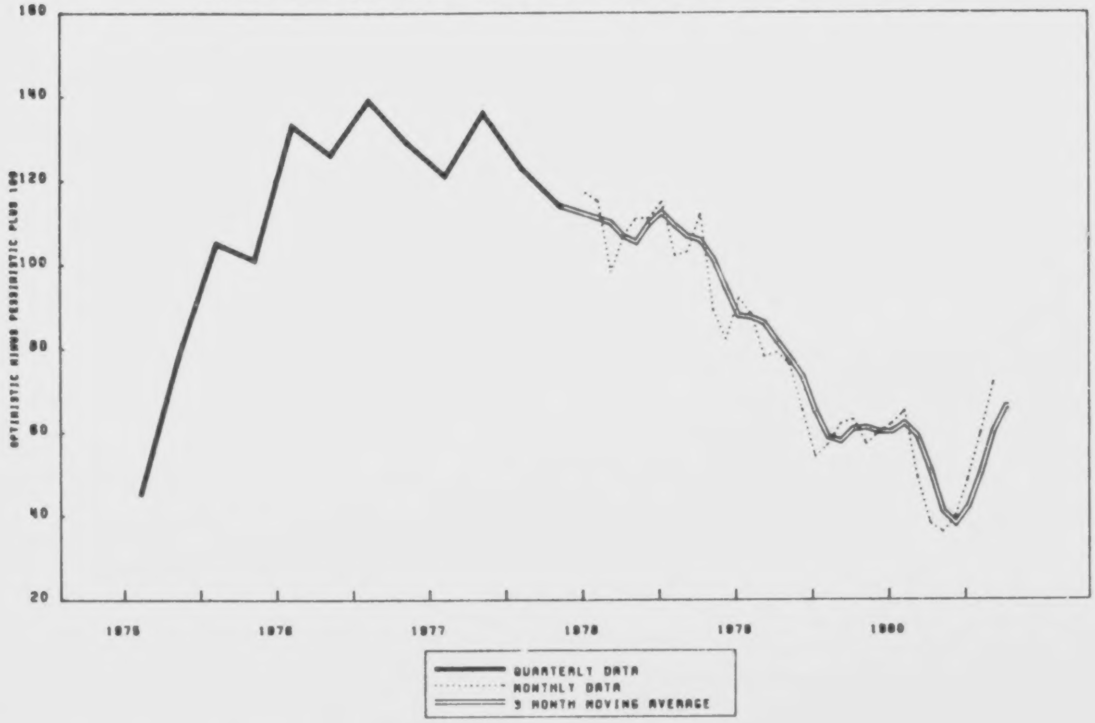

CHART 17 - RECENT CHANGES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

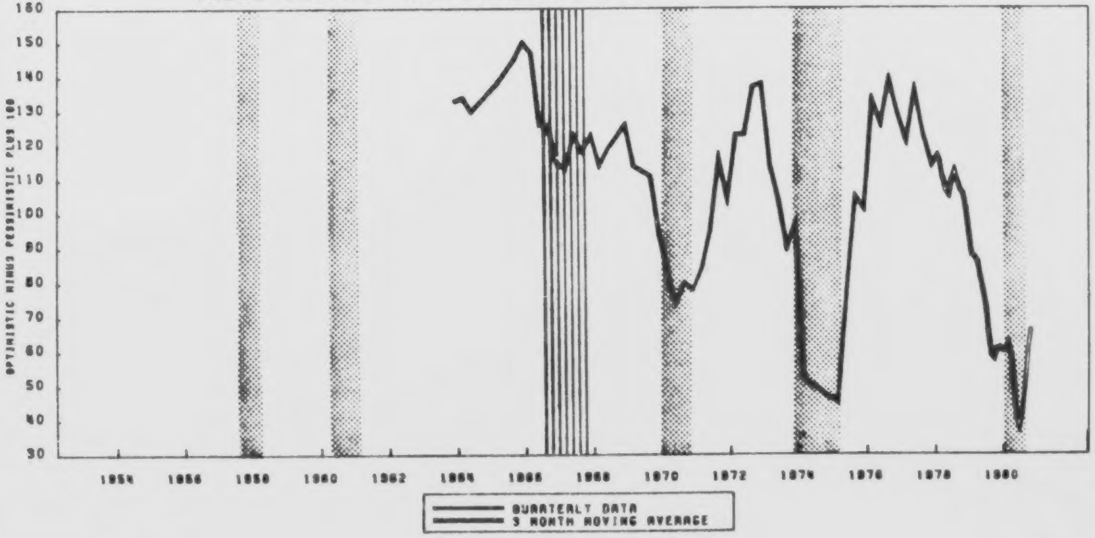

CHART 17 - HISTORICAL SERIES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

TABLE 17

TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS +

	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980
TREND:													
Continuous increase (a)	5%	7%	4%	5%	6%	8%	3%	4%	1%	1%	2%	5%	9%
Intermittant increase (b)	14	12	12	12	10	12	9	6	5	4	7	9	10
Remain unchanged (c)	5	7	8	6	9	6	6	3	1	2	1	3	6
Intermittant decline (d)	30	31	30	29	30	33	31	32	34	35	37	35	33
Continuous decline (e)	28	26	29	28	24	22	32	41	36	30	23	19	14
Mixed change (f)	13	11	14	14	16	15	14	10	20	23	26	23	23
DK,NA	5	6	3	6	5	4	5	4	3	5	4	6	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	946	1167	1327	850	769	1019	707	719	703	688	668	658	682

Combination of the responses to the questions on Tables 14 and 15.

Key: (a) Better than a year ago/Better a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 18 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

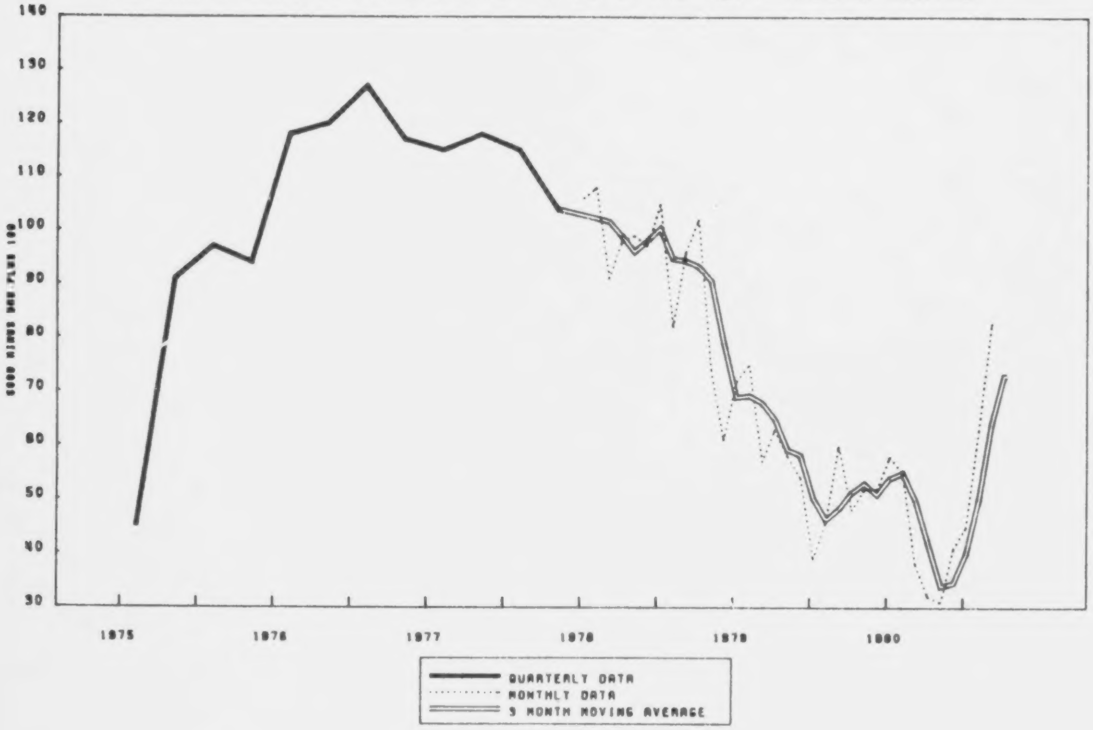

CHART 18 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

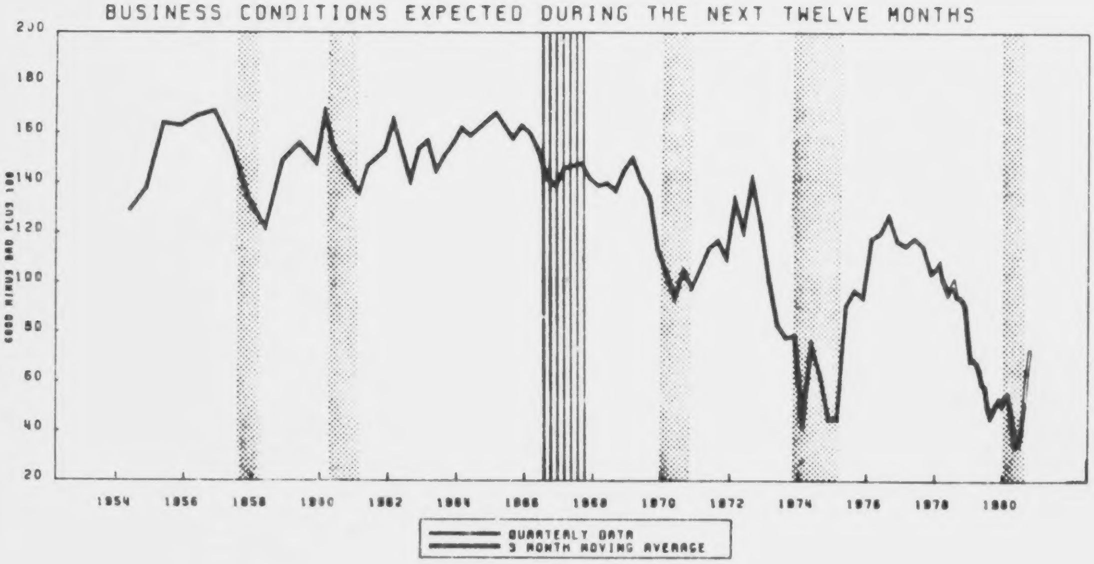

TABLE 18

BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS

	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980
GOOD TIMES	23%	18%	20%	19%	24%	22%	14%	11%	13%	18%	19%	25%	35%
UNCERTAIN; GOOD & BAD	3	1	3	2	1	1	1	1	1	1	1	2	2
BAD TIMES	63	70	68	69	66	67	76	79	82	75	74	62	52
DON´T KNOW	5	5	4	4	4	5	4	4	3	4	4	7	7
NOT ASCERTAINED	6	6	5	6	5	5	5	5	1	2	2	4	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	946	1167	1327	850	769	1019	707	719	703	688	668	658	682

The question was: 'Now turning to business conditions in the country as a whole--do you think that during the next 12 months we´ll have good times financially, or bad times or what?"

CHART 19 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

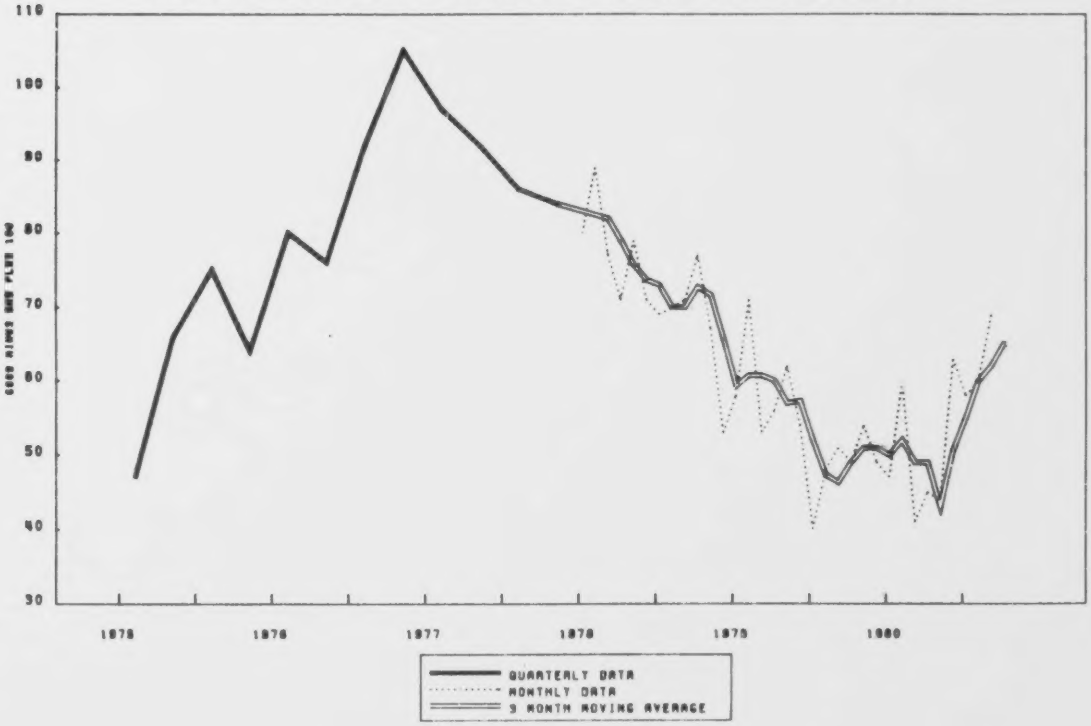

CHART 19 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

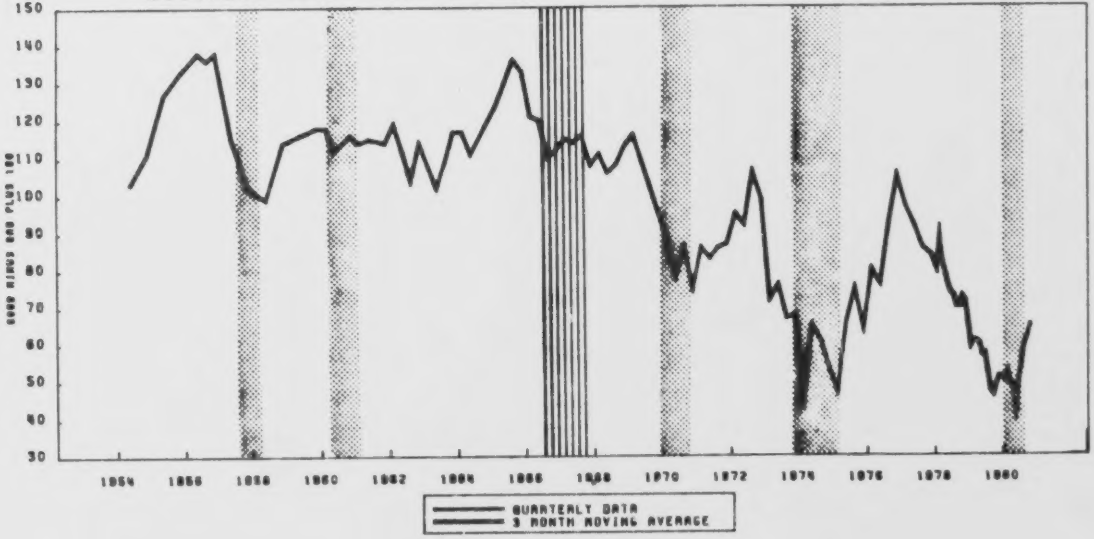

TABLE 19

BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS

	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980
GOOD TIMES	16%	16%	18%	15%	17%	21%	13%	14%	15%	22%	19%	19%	25%
UNCERTAIN; GOOD & BAD	16	13	12	15	9	14	10	12	10	12	13	16	14
BAD TIMES	65	67	64	65	70	61	72	69	71	59	61	59	56
NOT ASCERTAINED	3	4	6	5	4	4	5	5	4	7	7	6	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	946	1167	1327	850	769	1019	707	719	703	688	668	658	682

The question was: "Looking ahead, which would you say is more likely--that in the country as a whole we´ll have continuous good times during the next 5 years or so, or that we will have periods of widespread unemployment or depression, or what?"

CHART 20 - RECENT CHANGES
EXPECTED CHANGE IN UNEMPLOYMENT

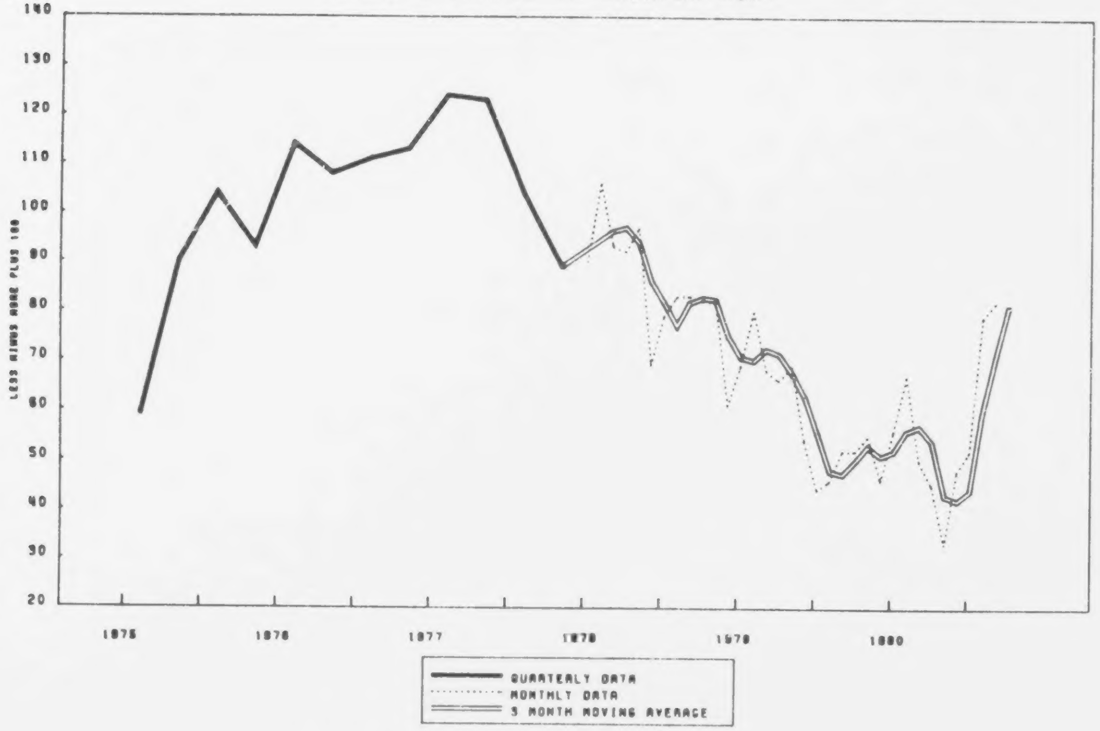

CHART 20 - HISTORICAL SERIES
EXPECTED CHANGE IN UNEMPLOYMENT

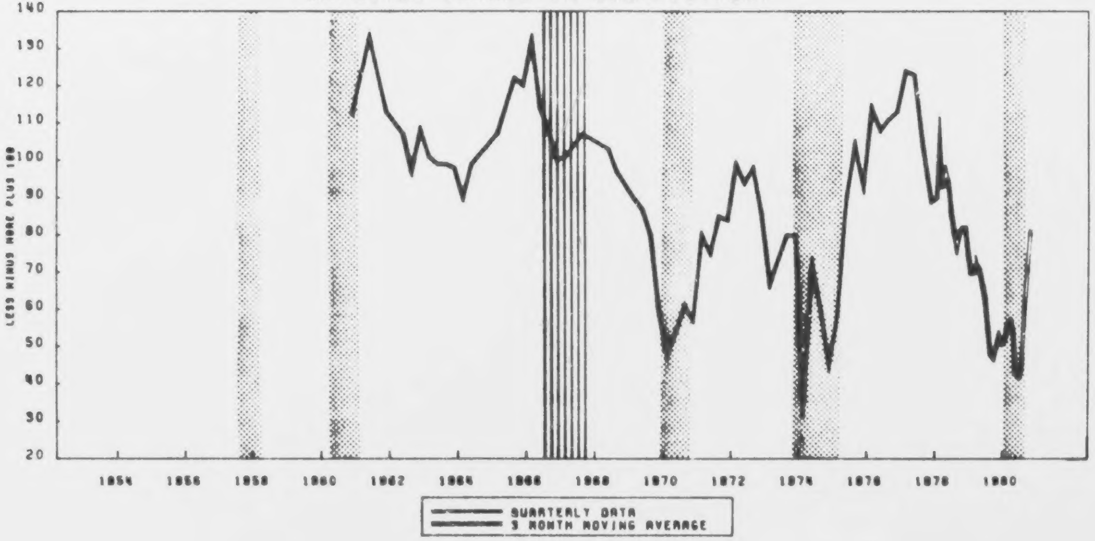

TABLE 20

EXPECTED CHANGE IN UNEMPLOYMENT

	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980
LESS	7%	7%	8%	8%	9%	13%	7%	7%	5%	11%	11%	19%	22%
SAME	36	36	36	30	34	38	35	29	23	25	30	38	36
MORE	55	55	54	61	54	46	57	62	72	63	59	40	40
DK,NA	2	2	2	1	3	3	1	2	*	1	*	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	946	1167	1327	850	769	1019	707	719	703	688	668	658	682

The question was: "How about people out of work during the coming 12 months--do you think that there will be more unemployment than now, about the same, or less?"

* : Less than half of one percent.

CHART 21 - RECENT CHANGES
EXPECTED CHANGE IN INTEREST RATES

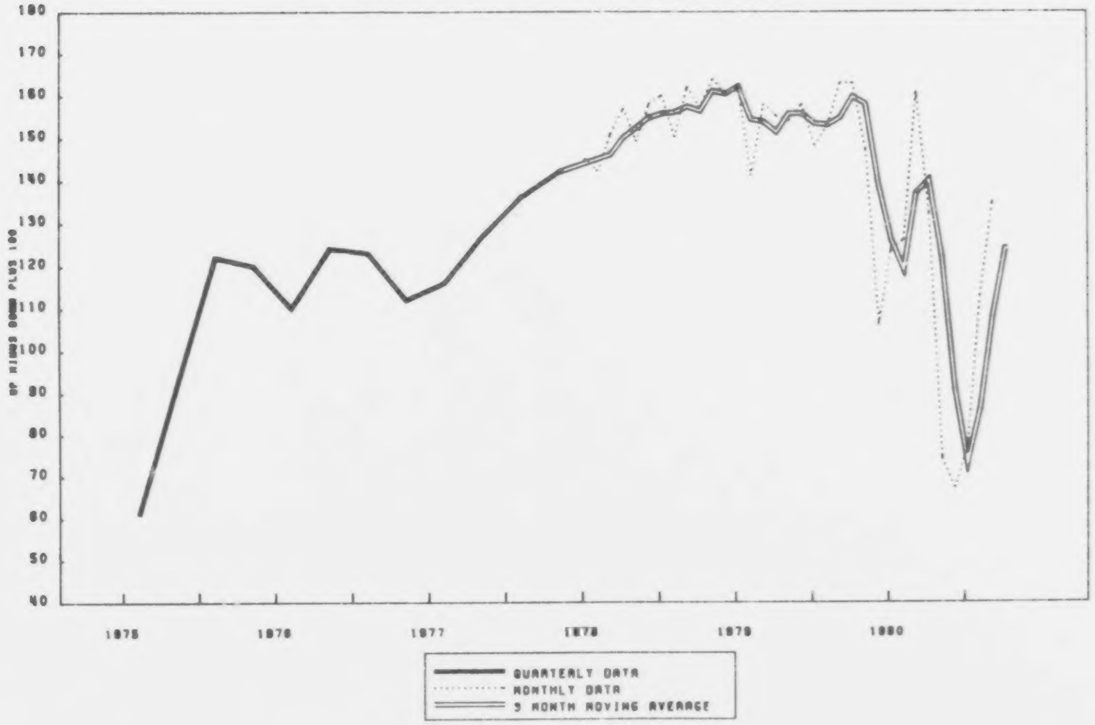

CHART 21 - HISTORICAL SERIES
EXPECTED CHANGE IN INTEREST RATES

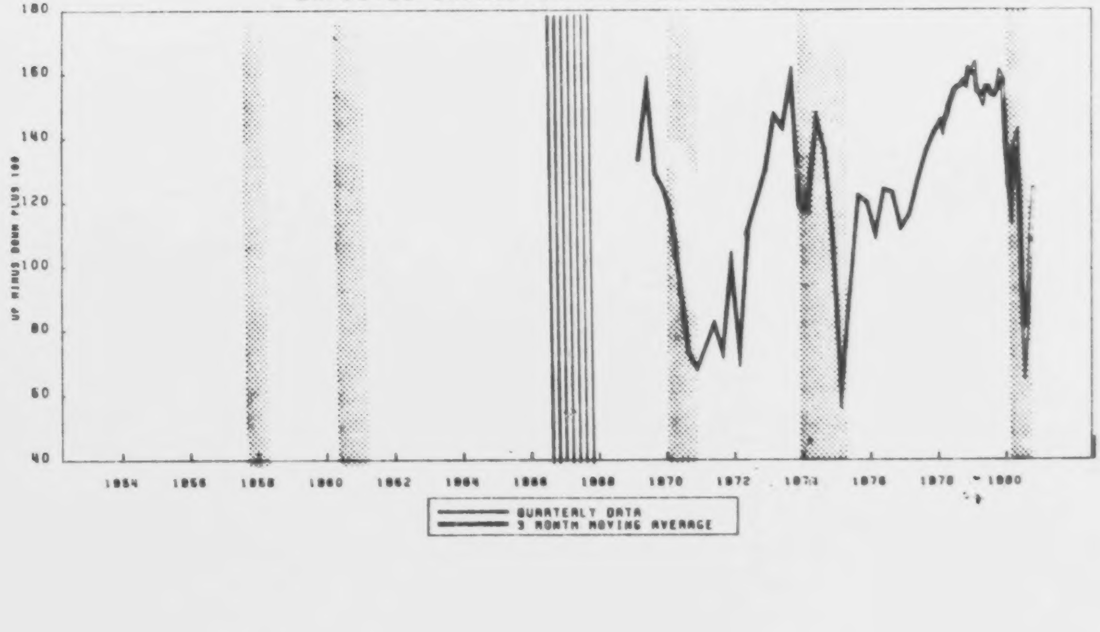

TABLE 21

EXPECTED CHANGE IN INTEREST RATES

	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980
GO UP	70%	70%	62%	40%	45%	47%	71%	56%	26%	21%	21%	39%	53%
STAY THE SAME	20	20	20	22	30	29	16	18	20	22	31	30	25
GO DOWN	7	7	15	34	21	21	10	24	52	54	44	26	18
DK,NA	3	3	3	4	4	3	3	2	2	3	4	5	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	946	1167	1327	850	769	1019	707	719	703	688	668	658	682

The question was: "No one can say for sure, but what do you think will happen to interest rates for borrowing money during the next 12 months--will they go up, stay the same, or go down?"

CHART 22

CHANGE IN PRICES DURING THE LAST 12 MONTHS

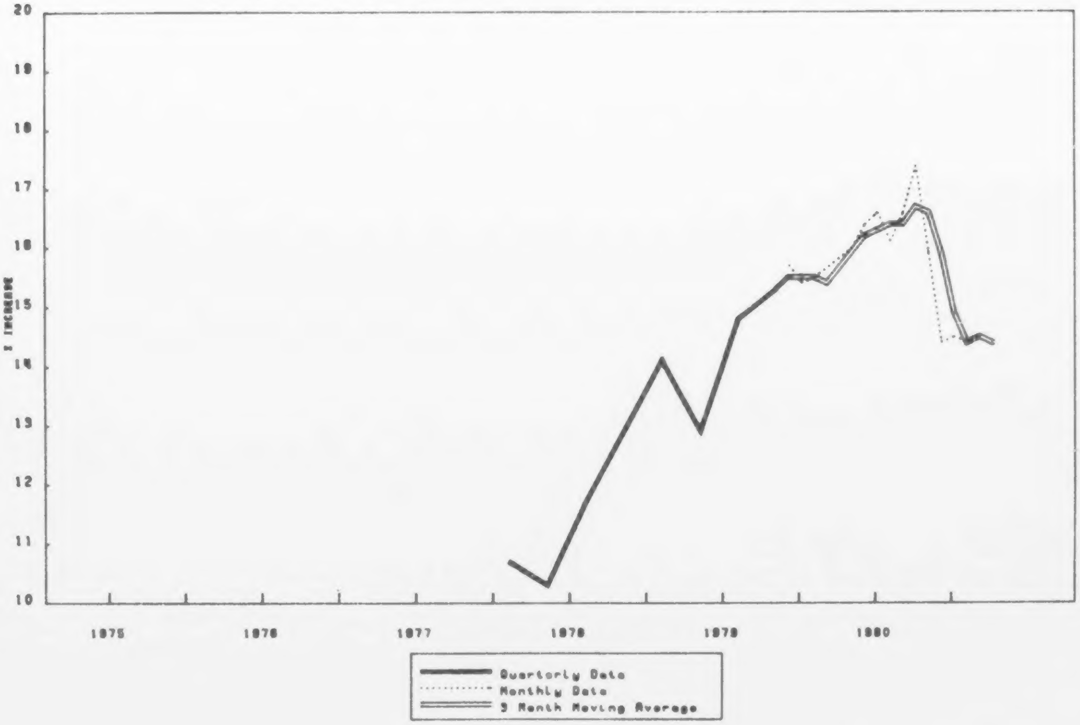

TABLE 22

CHANGE IN PRICES DURING THE LAST 12 MONTHS

	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980
SAME OR DOWN	na	na	2%	1%	1%	3%	2%	2%	5%	6%	4%	4%	4%
GONE UP BY:													
1-2%			1	3	1	1	2	2	1	1	3	2	2
3-4%			3	3	4	3	5	3	4	3	5	6	5
5%			5	5	6	6	6	5	5	6	7	8	7
6-9%			10	10	6	9	8	9	6	10	11	12	9
10-14%			31	33	32	28	25	24	27	25	22	20	24
15% or more			34	31	35	38	41	43	37	33	29	32	31
DK how much up			14	14	15	12	11	12	15	15	18	15	17
DK,NA			*	*	*	*	*	*	*	1	1	1	1
TOTAL			100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE			16.0	16.4	16.6	16.1	16.6	17.4	15.9	14.4	14.5	14.4	14.5
VARIANCE			162	188	176	149	167	179	175	140	168	160	151
CASES			1327	850	769	1019	707	719	703	688	668	658	682

The questions were: "During the last 12 months, have prices of the things you buy remained unchanged, or have they gone up, or have they gone down?" and "By about what percent do you think prices have gone up,on the average, during the last 12 months?"

na : Not available.

* : Less than half of one percent.

CHART 23 - RECENT CHANGES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

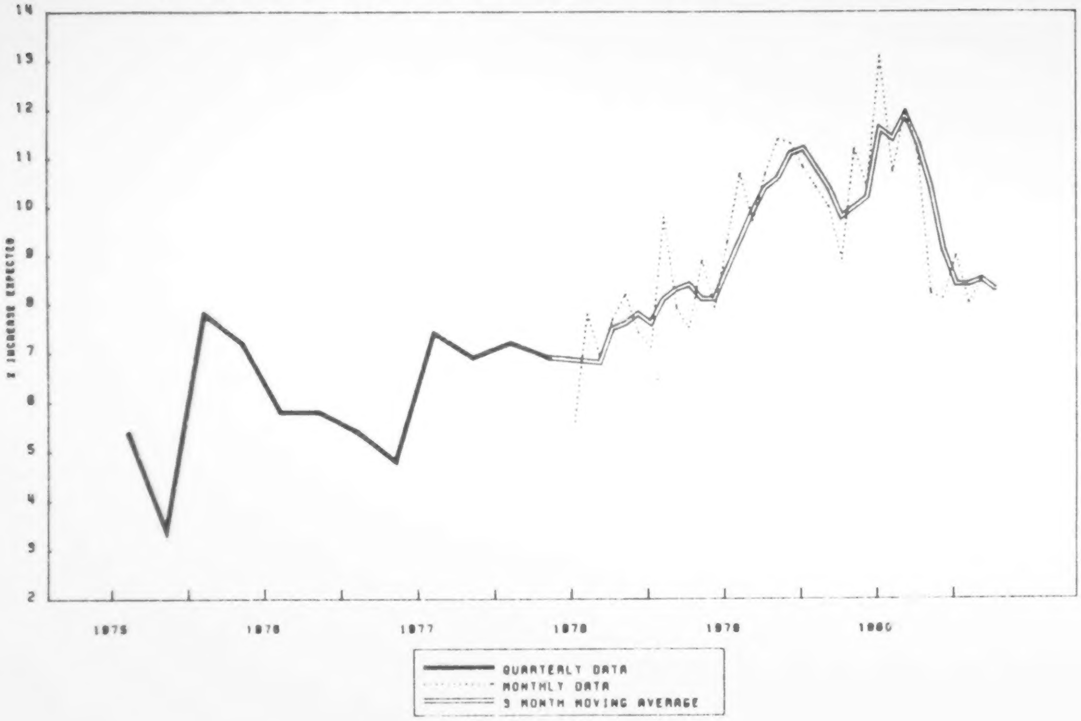

CHART 23 - HISTORICAL SERIES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

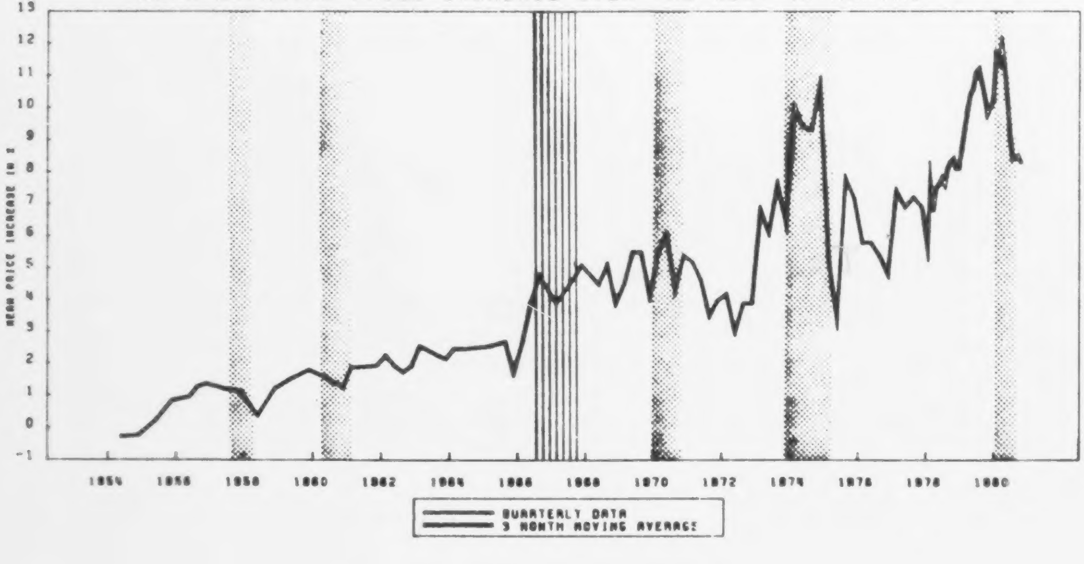

TABLE 23

EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980
SAME OR DOWN	12%	13%	12%	14%	9%	8%	13%	20%	31%	27%	22%	18%	17%
WILL GO UP BY:													
1-2%	5	4	2	3	2	4	3	2	1	3	3	6	5
3-4%	5	6	5	4	4	4	4	3	4	6	5	7	5
5%	8	10	7	7	7	11	8	7	9	7	8	11	11
6-9%	15	14	13	13	12	12	9	8	9	10	10	12	10
10-14%	27	25	29	28	28	31	26	24	17	20	21	24	23
15% or more	14	11	19	19	25	19	27	25	18	14	15	10	13
DK how much up	13	16	12	9	11	10	7	9	10	10	13	11	13
DK,NA	1	1	1	3	2	1	3	2	1	3	3	1	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	9.7	8.9	11.2	10.8	13.1	10.7	12.0	11.1	8.2	8.1	9.0	8.0	8.5
VARIANCE	89	71	111	103	139	84	122	125	92	89	95	71	68
CASES	946	1167	1327	850	769	1019	707	719	703	688	668	658	682

The questions were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" and "By about what percent do you expect prices to go up, on the average, during the next 12 months?"

CHART 24 - RECENT CHANGES
UNEMPLOYMENT OR INFLATION MORE SERIOUS

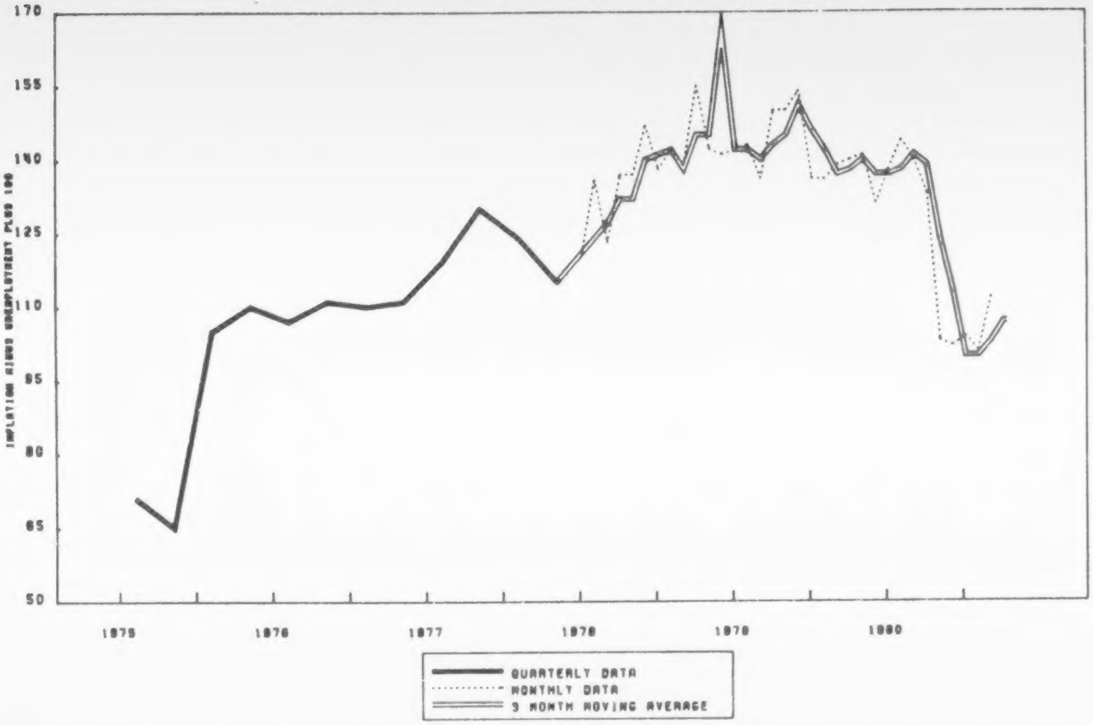

CHART 24 - HISTORICAL SERIES
UNEMPLOYMENT OR INFLATION MORE SERIOUS

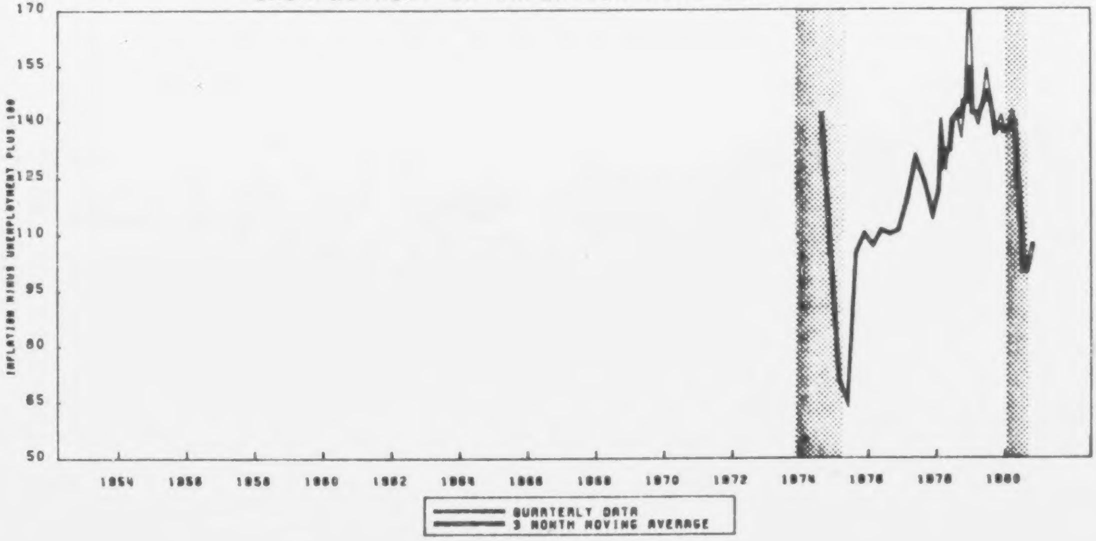

TABLE 24

UNEMPLOYMENT OR INFLATION MORE SERIOUS ECONOMIC HARDSHIP

	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980
UNEMPLOYMENT	26%	25%	24%	29%	26%	24%	25%	26%	40%	43%	45%	43%	38%
BOTH EQUALLY SERIOUS	7	8	8	9	7	7	8	14	16	11	11	10	9
INFLATION	65	65	65	60	64	68	65	59	43	45	41	44	50
DK,NA	2	2	3	2	3	1	2	1	1	1	3	3	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	946	1167	1327	850	769	1019	707	719	703	688	668	658	682

The question was: "Which of the two problems--unemployment or inflation--do you think will cause the more serious economic hardship for people during the next year or so?"

CHART 25 - RECENT CHANGES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

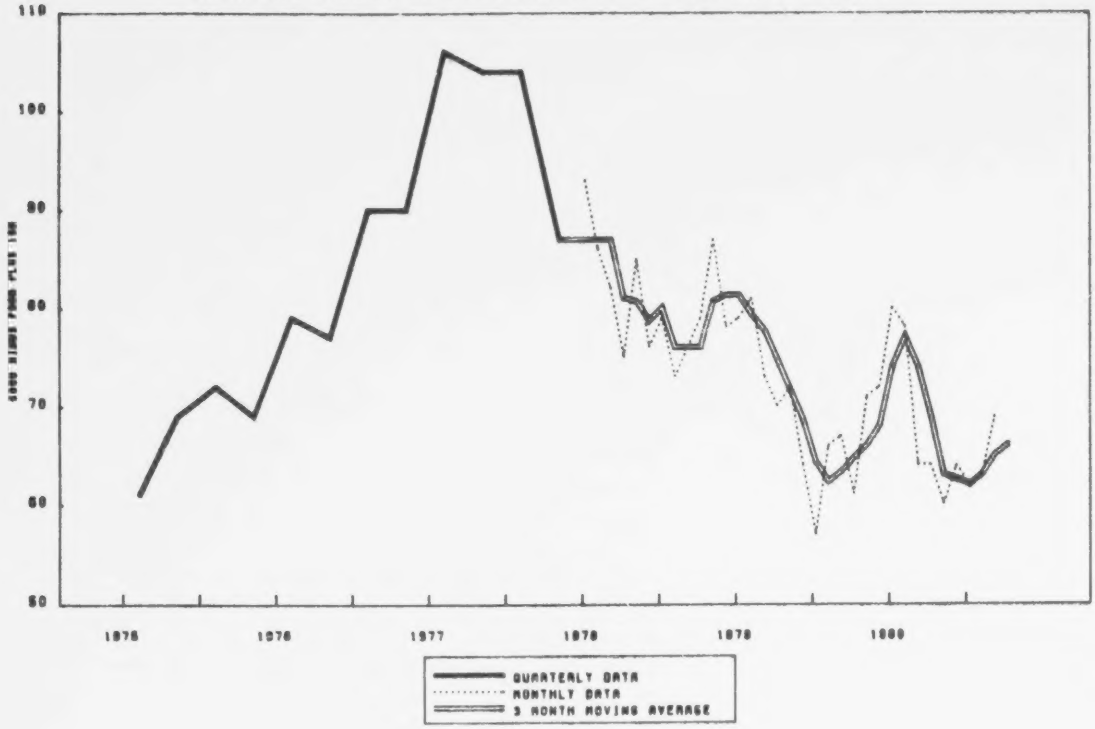

CHART 25 - HISTORICAL SERIES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

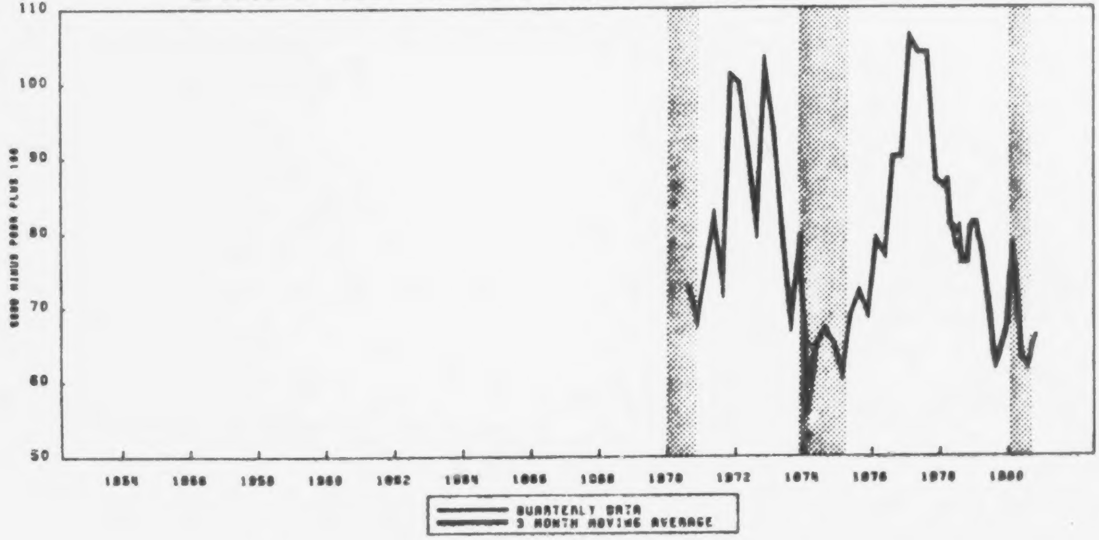

TABLE 25

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980
A GOOD JOB	7%	6%	10%	9%	11%	12%	7%	6%	5%	10%	9%	8%	10%
ONLY FAIR	51	46	47	49	54	51	46	48	48	40	41	45	46
A POOR JOB	40	45	39	38	31	34	43	42	45	46	47	45	41
DK,NA	2	3	4	4	4	3	4	4	2	4	3	2	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	946	1167	1327	850	769	1019	707	719	703	688	668	658	682

The question was: "As to the economic policy of the government--I mean steps taken to fight inflation or unemployment--would you say the government is doing a good job, only fair, or a poor job?"

CHART 26 - RECENT CHANGES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

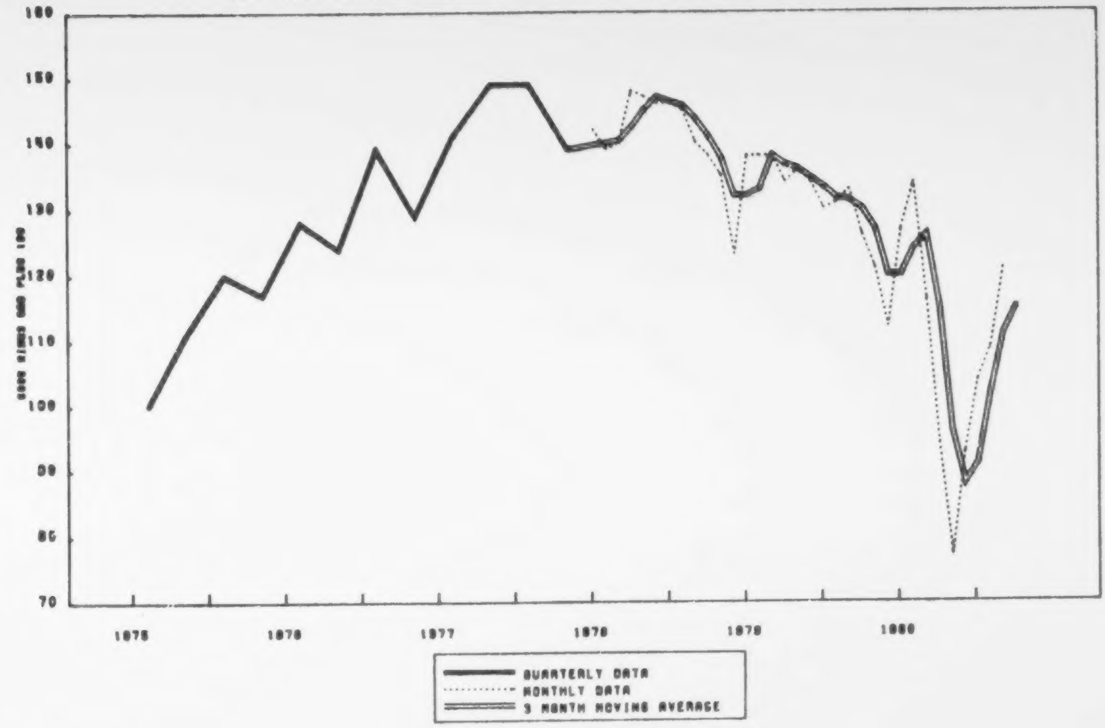

CHART 26 - HISTORICAL SERIES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

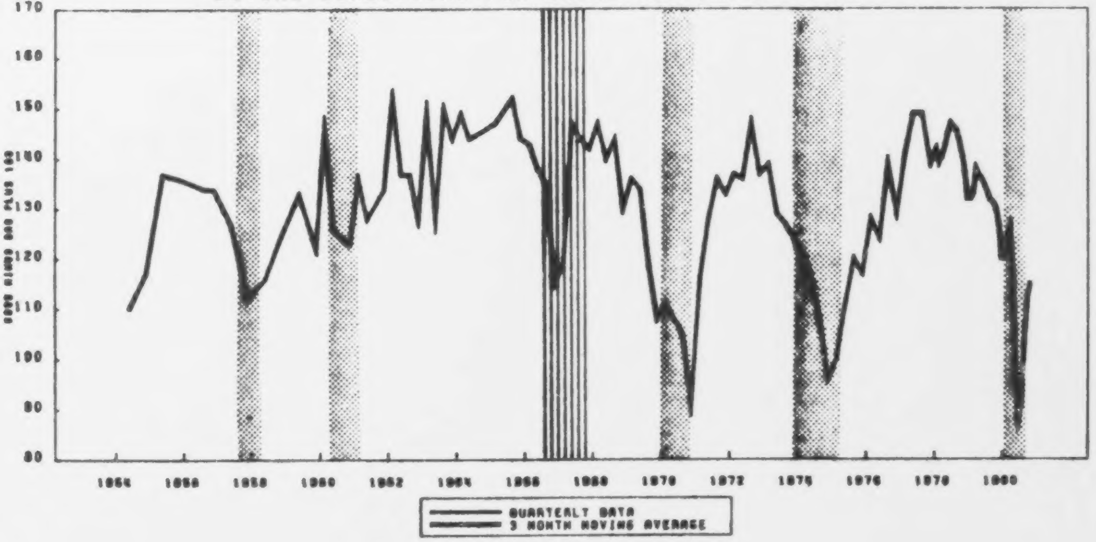

TABLE 26

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980
GOOD TIME TO BUY	62%	58%	53%	52%	60%	60%	54%	41%	35%	41%	44%	47%	52%
UNCERTAIN, DEPENDS	9	10	14	6	7	14	8	12	7	11	16	15	17
BAD TIME TO BUY	29	32	33	42	33	26	38	47	58	48	40	38	31
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	946	1167	1327	850	769	1019	707	719	703	688	668	658	682

The question was: "About the big things people buy for their homes--such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a good or a bad time for people to buy major household items?"

TABLE 27

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS +

	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980
GOOD TIME TO BUY:													
Prices are low; good buys available	13%	8%	18%	12%	17%	23%	12%	9%	14%	16%	19%	17%	18%
Prices won't come down; are going higher	42	48	27	38	47	33	43	28	23	26	22	27	31
Interest rates low; credit is easy	3	5	2	3	3	3	5	3	2	3	5	5	3
BAD TIME TO BUY:													
Prices are high	18	18	20	25	20	16	23	30	34	29	23	23	20
Interest rates are high; credit is tight	11	9	13	17	12	11	19	28	31	24	19	16	13
Lack of purchasing power	11	14	9	15	19	8	12	14	16	15	20	14	12

Responses to the query: "Why do you say so?" following the question on Table 26.

+ : May add to more than 100% due to multiple mentions.

CHART 28 - RECENT CHANGES
BUYING CONDITIONS FOR HOUSES

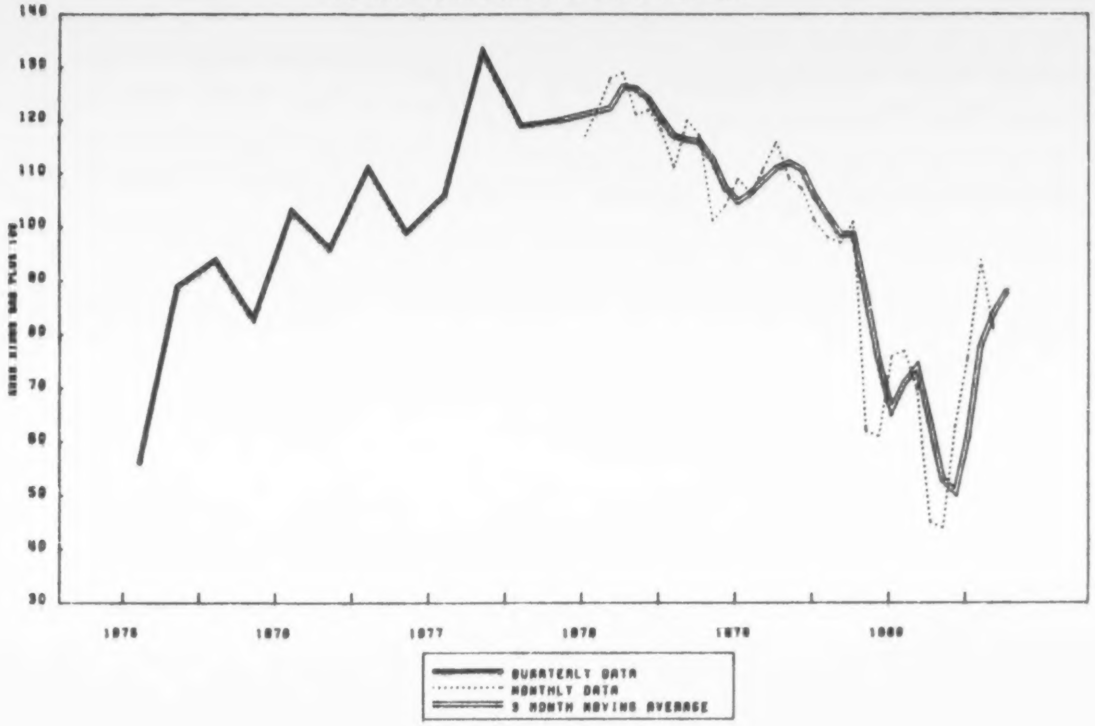

CHART 28 - HISTORICAL SERIES
BUYING CONDITIONS FOR HOUSES

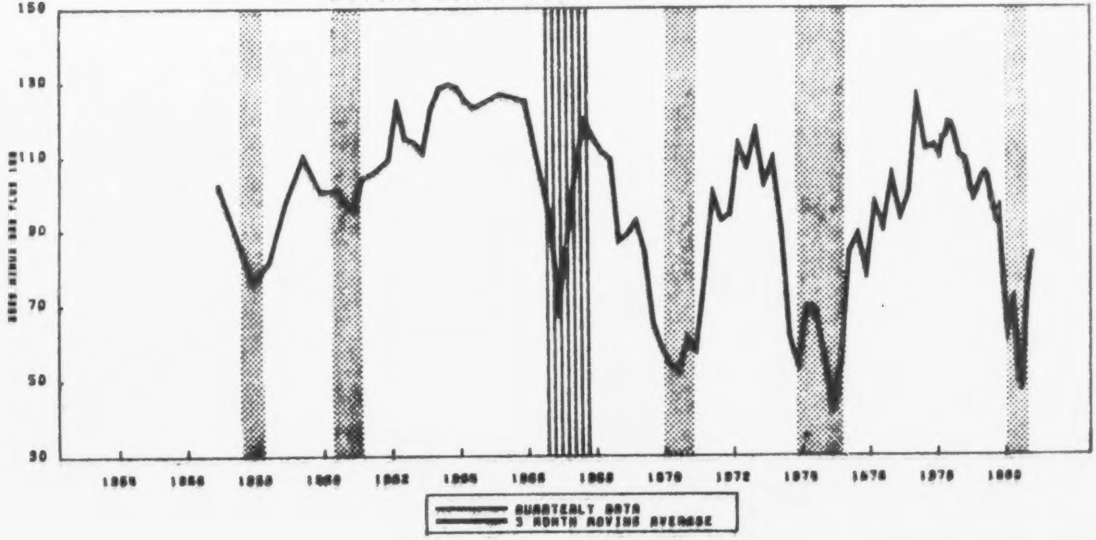

TABLE 28

BUYING CONDITIONS FOR HOUSES

	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980
GOOD TIME TO BUY	46%	47%	28%	28%	36%	36%	32%	19%	18%	29%	34%	44%	38%
UNCERTAIN, DEPENDS	5	6	6	6	4	5	6	7	8	5	8	6	5
BAD TIME TO BUY	49	47	66	66	60	59	62	74	74	66	58	50	57
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	946	1167	1327	850	769	1019	707	719	703	688	668	658	662

The question was: "Generally speaking, do you think now is a good time or a bad time to buy a house?"

TABLE 29

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES +

	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980
GOOD TIME TO BUY:													
Prices are low; good buys available	na	na	3%	na	na	4%	na	4%	3%	6%	9%	9%	7%
Prices won't come down; are going higher			17			20		8	8	11	12	14	17
Interest rates low; credit is easy			8			9		3	6	16	23	28	22
Good investment			8			12		9	7	5	6	10	9
BAD TIME TO BUY:													
Prices are high			31			30		31	30	27	30	26	29
Interest rates are high; credit is tight			68			56		76	75	66	53	41	50
Lack of purchasing power			9			8		8	9	10	15	12	11

Responses to the query: "Why do you say so?" following the question on Table 28.

+ : May add to more than 100% due to multiple mentions.

na : Not available.

CHART 30 - RECENT CHANGES
BUYING CONDITIONS FOR CARS

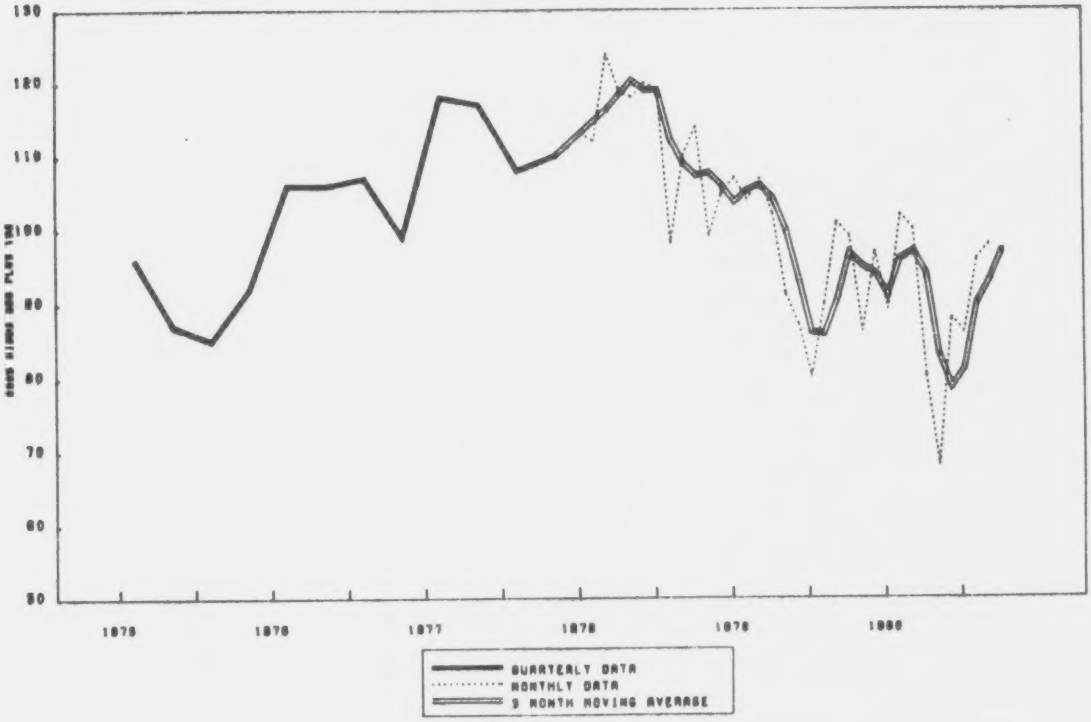

CHART 30 - HISTORICAL SERIES
BUYING CONDITIONS FOR CARS

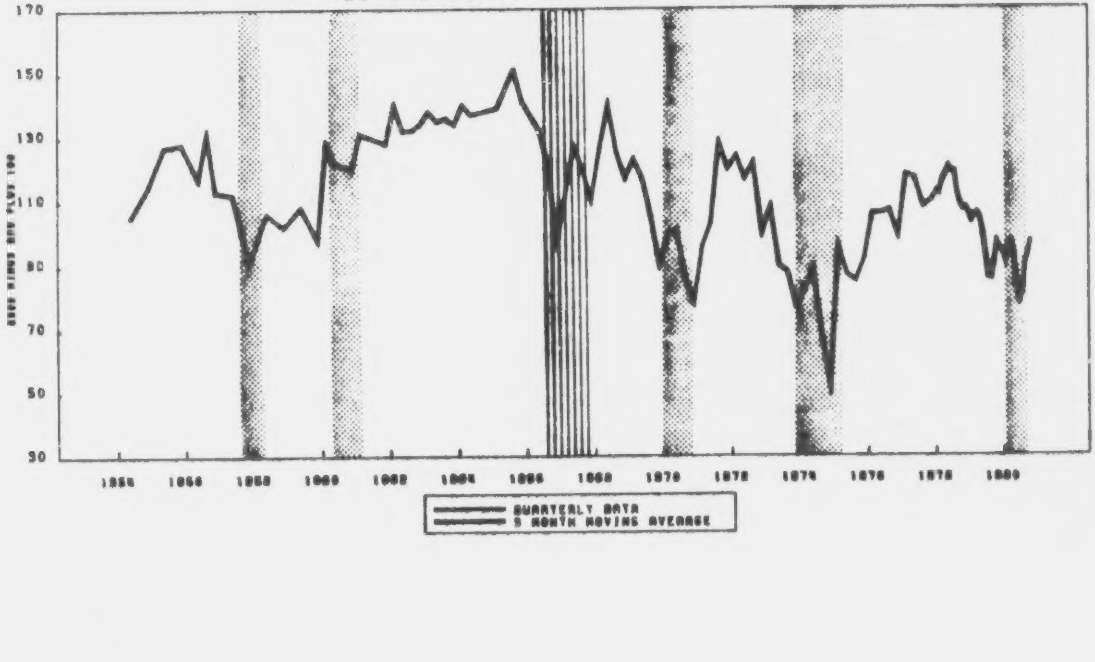

TABLE 30

BUYING CONDITIONS FOR CARS

	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980
GOOD TIME TO BUY	44%	45%	38%	44%	40%	47%	45%	35%	29%	37%	36%	42%	42%
UNCERTAIN; DEPENDS	11	9	10	9	10	8	10	10	10	14	14	12	14
BAD TIME TO BUY	45	46	52	47	50	45	45	55	61	49	50	46	44
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	946	1167	1327	850	769	1019	707	719	703	688	668	658	682

The question was: "Speaking now of the automobile market--do you think the next 12 months or so will be a good time or a bad time to buy a car?"

TABLE 31

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS +

	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980
GOOD TIME TO BUY:													
Prices are low; good buys available	21%	16%	14%	20%	13%	21%	19%	15%	25%	27%	25%	24%	20%
Prices won´t come down; are going higher	21	23	16	20	22	19	22	10	8	9	13	12	19
Interest rates low; credit is easy	2	3	2	1	2	3	3	4	1	3	4	4	4
New fuel efficient models	9	8	8	10	8	14	13	12	6	5	3	7	9
BAD TIME TO BUY:													
Prices are high	25	27	30	27	31	22	25	32	30	24	27	27	31
Interest rates are high; credit is tight	7	8	18	18	13	14	17	24	29	22	11	11	10
Lack of purchasing power	5	4	6	7	9	4	6	6	7	6	9	9	6
Price of gas; shortages	14	13	10	13	19	13	16	16	15	9	6	5	5
Poor selection; quality	11	10	8	8	10	10	9	8	7	10	13	13	11

Responses to the query: "Why do you say so?" following the question on Table 30.

+ : May add to more than 100% due to multiple mentions.

TABLE 32

PLANS TO PURCHASE AN AUTOMOBILE DURING THE NEXT 12 MONTHS

	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980
PROBABLY WILL BUY	na	na	16%	na	na	20%	na	16%	13%	12%	17%	16%	16%
CHANCES ARE EVEN			6			8		7	7	8	5	7	6
PROBABLY WILL NOT BUY			68			62		69	67	68	67	61	70
DK,NA			10			10		8	13	12	11	16	8
TOTAL			100%			100%		100%	100%	100%	100%	100%	100%
CASES			1327			1019		719	703	688	668	658	682

The question was: "What do you think are the chances that you (or anyone else in your family living there) will buy or lease a car during the next 12 months--would you say you probably will, probably will not, or are the chances about even, or what?"

na : Not available.

TABLE 33

CURRENT VEHICLE PURCHASE INTENTIONS

	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980
PROPORTION WITH CURRENT PURCHASE INTENTIONS:	na	na	22%	na	na	28%	na	23%	20%	20%	22%	23%	22%
PURCHASE TYPE:													
Buy new			9			14		11	7	9	10	8	11
Buy used			11			12		9	9	7	11	12	9
Lease			1			1		2	1	1	1	1	1
DK,NA			1			1		1	3	3	*	2	1
PURCHASE TIMING:													
Next 3 months			4			2		4	2	1	5	3	1
Next 4-6 months			4			7		6	6	6	5	5	6
Next 7-9 months			5			7		6	5	5	3	4	2
10 months or more			5			6		2	3	5	4	4	4
DK,NA			4			6		5	4	3	5	7	9

If response was "PROBABLY WILL BUY" or "CHANCES ARE EVEN" in Table 32, then the questions were: "If you do buy or lease a car, would it be a new car, or a used car?" , "Would you buy or lease?" and "When do you think you might buy or lease a car?"

na : Not available.

* : Less than half of one percent.

TABLE 34

FUTURE VEHICLE PURCHASE INTENTIONS

	Sept 1979	Oct. 1979	Nov. 1979	Dec. 1979	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980
PROPORTION WITH FUTURE PURCHASE INTENTIONS:	na	na	68%	na	na	62%	na	69%	67%	68%	67%	61%	70%
PURCHASE TYPE:													
Would buy new			41			36		40	39	38	40	35	36
Would buy used			25			24		26	25	27	24	24	30
DK,NA			2			2		3	3	3	3	2	2
PURCHASE TIMING:													
Less than 2 years			7			7		8	7	6	4	6	5
2 years			18			21		14	17	21	20	18	23
3 years			11			7		12	10	11	10	8	12
4 years or more			19			17		20	19	20	21	21	18
Indefinite			6			3		6	4	3	4	4	4
DK,NA			7			7		9	10	7	8	4	8

If response was "PROBABLY WILL NOT BUY" in Table 32, then the questions were: "If you were to buy a car, would it be a new car or a used car? and "How long do you think it may be before will buy or lease a car?"

na : Not available.

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September 26, 1980

SEPTEMBER 1980 SURVEY recd 9/29/80
MONTHLY REPORT

SURVEY RESEARCH CENTER
UNIVERSITY OF MICHIGAN

Surveys of Consumer Attitudes

Richard T. Curtin, *Director*

CONSUMER SENTIMENT RECORDS FOURTH CONSECUTIVE MONTHLY IMPROVEMENT

** In the September 1980 survey, the Index of Consumer Sentiment stood at 73.7, up 6.4 Index-points from the August reading. This marks the fourth consecutive monthly increase, which in total amounts to an impressive 22 Index-points improvement since the record low recorded in May 1980. The September improvement in consumer attitudes was led by more favorable short-term business expectations.

** Among families with incomes of $20,000 or more, the Index of Consumer Sentiment was 75.1 in September, up from 70.9 in August, and 20 Index points above the 55.2 recorded in May 1980. The least improvement since May in sentiment was recorded among residents of the North Central region.

** Personal financial expectations were more favorable in the September 1980 survey than at any other time during the prior three years. In September 1980, 34 percent of all families expected to be better off financially in the year ahead (up from 24 percent in September 1979), compared with 17 percent who expected to be financially worse off (down from 26 percent in September 1979).

** Although the majority of consumers continue to view current business conditions as worse than those of a year earlier, the proportion who expected improved business conditions in the year ahead increased significantly in the September 1980 survey. Among all families, 32 percent expected business conditions to improve, compared with 17 percent who expected business conditions to worsen. These figures are nearly the reverse of the year earlier reading, when just 15 percent expected business conditions to improve compared with 35 percent who expected conditions to worsen (September 1979).

** Interest rates were expected to increase by 53 percent of all households in September 1980, up sharply from the 39 percent recorded in August, and 21 percent recorded in both the June and July 1980 surveys. The proportion who expected interest rates to decline in the year ahead fell from 54 percent in June 1980 to just 18 percent in September 1980.

** Price expectations have remained largely unchanged in the past 5 months, with expected rates of inflation ranging between 8% and 9%, significantly below the double digit levels recorded in early 1980. In September 1980, consumers expected prices to increase on average by 8.5%, up from 8.0% in August and 8.2% in May 1980.

** Attitudes toward buying conditions for cars remained largely unchanged in the September survey compared with the August reading, although much improved since the May 1980 lowpoint. Among all families, 42 percent rated buying conditions for cars as favorable, unchanged from the August reading, and up significantly from the 29 percent recorded in May 1980.

** Attitudes toward buying conditions for large household durables continued to improve from the record low levels recorded in early 1980. Among all families, 52 percent rated buying conditions for household durables favorably in September, up from 47 percent in August, and 35 percent in May 1980. In contrast to the sharp improvement in buying attitudes toward durable goods, changes in attitudes toward buying conditions for houses reversed some of the rapid improvement recorded during the prior several months. Among all families, 38 percent rated buying conditions for houses as favorable in September, down from 44 percent in August, but still significantly above the 18 percent recorded in May 1980. The increase in unfavorable buying attitudes toward houses in the September survey resulted from more frequent mentions of high interest rates and tight credit conditions.

* * *

The rapid improvement in consumer sentiment continues to be based on more favorable expectations for future improvement, rather than on more favorable assessments of the current situation. Expected improvements in both personal finances and business conditions were reported more frequently in September 1980 than in September 1979, but evaluations of consumers current financial situation and buying conditions were on balance still less favorable than year earlier readings. Heightened concern with rising interest rates was recorded in September, although fears of spreading unemployment have lessened, and expected inflation rates have declined since early 1980. Improvements since May in buying attitudes have been due to improved credit conditions, although recent increases in mortgage interest rates have led to weakened buying attitudes for houses.

The September 1980 survey included 682 interviews conducted between August 25 and September 22, 1980.